



Daily Report

East Asia

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DPRK, KEDO Meeting Opens in Kuala Lumpur

Nuclear Reactor Supply Discussed

OW1109155395 Tokyo KYODO in English
1541 GMT 11 Sep 95

[FBIS Transcribed Text] Kuala Lumpur, Sept. 11 KYODO — Representatives of the two Koreas, Japan and the United States met Monday [11 September] in Kuala Lumpur to discuss the light-water reactor supply agreement under the Korean Peninsula Energy Development Organization (KEDO).

It was the first time for South Korea to sit in a KEDO meeting with North Korea present. Choe Young-chin, who is KEDO's deputy executive director, represented South Korea in the meeting.

Mitchell Reiss, an assistant to KEDO Executive Director Stephen Bosworth who is the head of the delegation for KEDO, issued a brief statement on the meeting saying it went in accordance with the Oct. 21, 1994 agreed framework and the June 13 joint Kuala Lumpur statement between the U.S. and North Korea.

"Both delegations exchanged views on important matters concerning the LWR (light-water reactor) supply agreement," Reiss told the press with a representative from the North Korea delegation, Chong Song-il, at his side.

North Korea is hinting that it will make demands for compensation for the construction of its graphite-moderated reactors, which will be abandoned for the new reactors, and for KEDO to bear the cost of infrastructure for power transmission facilities.

KEDO, an international consortium providing nuclear reactors to Pyongyang with the U.S., South Korea and Japan as the principal members, met for an hour in the morning.

Senior members of each delegation had a working lunch, while the full delegation met again in the afternoon before they adjourned the meeting until Tuesday morning.

North Korea, which sent 11 members to the meeting, was led by its ambassador-at-large, Ho Chong.

KEDO was formed to provide two reactors and alternative energy sources for North Korea to replace its graphite-moderated reactors, which are suspected of being capable of producing weapons-grade plutonium.

Correspondent Views First Day

SK1209080095 Seoul CHOSON ILBO in Korean
12 Sep 95 p 4

[Report by correspondent Kim Yon-kwang from Kuala Lumpur]

[FBIS Translated Text] For the first time, the ROK Government participated as a party concerned in the Kuala Lumpur negotiations to provide light-water reactors [LWR] to North Korea. While meeting reporters on 11 September, Choe Yong-chin, deputy executive director of the Korean Peninsula Energy Development Organization [KEDO], said: "Now we can relieve ourselves of the criticism of 'what is the purpose of having a central role when the ROK cannot even participate in talks with North Korea?' We will now be able to play a leading role in the talks and convey our position on the spot."

At 1100 AM on 11 September, Deputy Executive Director Choe Yong-chin, along with KEDO Executive Director Stephen Bosworth, met the North Korean delegation, including the North Korean Foreign Ministry's roving ambassador Ho Chong, in front of the Regent Hotel, the site of the talks. Ambassador Ho exchanged a brief greeting with Deputy Executive Director Choe and went right to the site of the talks, dodging a reporter's question of "Has North Korea completely acceded to the ROK's leading role and participation in the talks?" In its arrival statement in Kuala Lumpur on the night of 10 September, and in the keynote speech in the talks on 11 September, the North Korean delegation reemphasized that the negotiations for providing LWR's are between North Korea and the United States. However, the ROK's KEDO officials did not attach serious significance to the North Korean emphasis on a "U.S.-led KEDO" and the "U.S. leading role," instead saying: "They will mention things like that before beginning the negotiations."

Deputy Executive Director Choe said that the "Ulchin No. 3 and 4 reactors" and "the prime contractor Korean Electric Power Corporation" were the cornerstone of the Kuala Lumpur talks held in June. "It is the firm position of the ROK, the United States, and Japan that there will be no concession on this position should North Korea attempt to shake this cornerstone, thereby causing the talks to regress."

North Korea seemed to be wishing to conclude the negotiations for providing LWR's as soon as possible. On the morning of 11 September, KEDO proposed that a plenary meeting be held following working-level talks between Gary Samore, special assistant to Nuclear Ambassador [title as received] Gallucci, and Yi Yong-ho, deputy director in charge of nuclear

and disarmament affairs. However, the North Korean side insisted on holding a plenary meeting without a working-level meeting and made KEDO agree to it. The North Korean officials said: "We did not come to Kuala Lumpur merely to hold the talks for two days and go home." This shows an aggressive attitude that intends to settle the negotiations during the present talks.

In the 11 September talks, the two sides confirmed a distinct difference in their positions regarding such matters as the scope of providing LWR's. The working negotiation teams of KEDO and North Korea intend to narrow their differences on major points of controversy before the KEDO Executive Board meeting scheduled in Tokyo on 14 September. The ROK, the United States, and Japan will hold another review session as to how far they will accede to the North Korean insistence based on Executive Director Bosworth's report at the Executive Board meeting.

Second Day of Meetings Begins

*SK1209004195 Seoul YONHAP in English
0032 GMT 12 Sep 95*

[FBIS Transcribed Text] Kuala Lumpur, Sept. 12 (YONHAP) — The Korea Peninsula Energy Development Organization (KEDO) and North Korea on Tuesday opened its second day of meetings at the Regent Hotel here in the Malaysian capital to negotiate a contract that will supply the communist country with two light-water nuclear reactors.

As was the case with the first day of meetings, the KEDO delegation to Tuesday's gathering is being led by its Executive Director Stephen Bosworth, while the North Korea representatives are headed by Ambassador Ho Chong.

The first-day session that ended during the evening on Monday reportedly discussed the scope of construction, terms of repayment, compensation for accidents, KEDO's responsibilities and North Korea's obligations to keep its nuclear program frozen.

The North Koreans also reportedly asked for additional facilities along with the light-water reactor project. Though they stressed their obligation to pay for the project, they appeared to consider it not so much a general commercial deal but more of a political transaction, a South Korean official attending the talks opined.

Commenting on the atmosphere of the conference, the official noted that the North Koreans did not display displeasure at the inclusion of South Korean delegates to the KEDO team, but added they were business-like and relaxed throughout, though not necessarily friendly.

'High-Level' Meetings Conclude

*SK1209124695 Seoul YONHAP in English
1237 GMT 12 Sep 95*

[FBIS Transcribed Text] Kuala Lumpur, Sept. 12 (YONHAP) — The Korea Peninsula Energy Development Organization (KEDO) and North Korea said Tuesday they shared a clear understanding of mutual positions and opinions in their first-round high-level talks held here in Kuala Lumpur Monday and Tuesday.

A joint statement issued upon the completion of the two-day talks said the two sides agreed that the talks were part of a political process designed to provide light-water reactors to North Korea in accordance with the Geneva framework agreement of last October and the joint Kuala Lumpur press release of last June.

The two sides agreed to resume the high-level talks in two to three weeks at a place to be agreed on.

Spokesmen for both sides said that separate from the high-level talks, a working-level meeting between the two sides' experts will take place here for several days beginning Wednesday.

KEDO Chief Delegate Stephen Bosworth, KEDO secretary-general, and two KEDO deputy secretaries-general are to leave here Wednesday for Tokyo to attend a KEDO Executive Board meeting opening there Thursday.

OIC Officials Meet To Discuss Bosnia Issue

*BK1209104595 Kuala Lumpur Voice of Malaysia
in English 0800 GMT 12 Sep 95*

[FBIS Transcribed Text] Military commanders and senior officials of Islamic nations held separate meetings today to fine-tune a draft declaration to bolster peace efforts and prepare for the eventual reconstruction of Bosnia-Herzegovina. The declaration, expected to include concrete proposals to help Bosnia, will be forwarded to the special meeting of the foreign and defense ministers on Thursday and Friday for approval.

The special meeting is called by the Contact Group of the Organization of Islamic Conference, OIC. The meetings in Kuala Lumpur are attended by representatives of Bosnia, while Foreign Minister Muhammed Sacirbey will attend the ministerial-level conference. The conference is being attended by 13 Islamic countries, including the eight-member Contact Group and Bosnia-Herzegovina, the OIC secretary general, Dr. Hamid Al-gabid. [sentence as heard] Croatia is an observer.

Japan

Tokyo To Give No More 'Beyond Rights' to U.S.

OW1209081595 Tokyo KYODO in English
0807 GMT 12 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 12 KYODO — Japan will not allow the United States to add any more air cargo routes through Japan to other Asian countries in bilateral aviation talks scheduled to begin Sept. 26 in Tokyo, Transport Ministry officials said Tuesday [12 September].

Washington, seeking unrestricted competition by cargo carriers under "open skies," is expected to demand additional "beyond rights" for U.S. airlines in the negotiations.

Such a demand, if accepted, would widen a disparity in favor of the U.S. in the bilateral aviation arrangements, the officials said.

In cabinet-level negotiations in July, the U.S. agreed to authorize Japanese flights to Chicago and New York from Kansai International Airport near Osaka.

In return, Japan allowed a U.S. cargo airline to add seven routes through Japan to other Asian destinations, including one between Kansai and Singapore.

Asian countries and territories have expressed serious concern over the extension of U.S. air routes, the officials said.

Prefecture Asked To Open Bidding for Airport

OW1209112295 Tokyo KYODO in English
1022 GMT 12 Sep 95

[FBIS Transcribed Text] Nagoya, Sept. 12 KYODO — A U.S. trade official requested Tuesday [12 September] that American companies be allowed to participate in bidding for the construction of a new international airport under consideration off Tokoname, Aichi Prefecture, a local government official said.

Marjory Searing, deputy assistant secretary at the U.S. Commerce Department, made the request in a meeting with a senior official of the Aichi Prefectural Government.

Searing was quoted as saying that many U.S. companies hope to take part in the bidding from an early stage.

Responding to her request, Kunio Yamamoto, director general of the Department of Public Works of the prefectural government, said the government is considering measures, including introduction of a competitive bidding system with a partial limit on bidders, to prevent discrimination against foreign firms.

Commenting on an international exposition to be held in 2005 in Aichi Prefecture, Searing suggested that orders for drawing up and building the exposition be opened to foreign bidding, the official said.

U.S. Warship Crew's Plan Sparks Protests

OW1109103195 Tokyo KYODO in English
1020 GMT 11 Sep 95

[FBIS Transcribed Text] Nagasaki, Sept. 11 KYODO — The crew of a U.S. military vessel have provoked strong protests from atomic bomb survivors' groups because of their plan to pay an official visit to the Peace Park in Nagasaki during an upcoming port call, sources said Monday [11 September].

Vice Adm. Archie Clemins, commander of the U.S. 7th Fleet, and other senior officers of the fleet have conveyed to Nagasaki City officials their desire to lay flowers at the park's statue of peace when the fleet's 16,790-ton flagship Blue Ridge makes a port call to Nagasaki on Friday.

The statue commemorates the victims of the U.S. atomic bombing on the city on Aug. 9, 1945.

But city officials have asked the U.S. officers to refrain from making an official visit to the park so as to avoid fueling citizens' antinuclear sentiments, which are already heightened as this year marks the 50th anniversary of the atomic bombing.

A city official said, however, "there is no reason to refuse the visit, if the officers don't wear military uniforms and go to the park as private citizens."

Atomic bomb survivors' organizations have always opposed military personnel from the nuclear powers — Britain, China, France, Russia and the United States — setting foot in the park, which is located around the epicenter of the atomic blast and considered the antinuclear movement's "sacred ground."

In Sept. 1987, the captain and some crew members of a U.S. military vessel went to the peace park in uniform, despite protests from the ban-the-bomb groups and laid a flower wreath in front of the peace statue.

Later, a number of antinuclear activists trampled on the wreath to vent their anger over the visit.

"A visit to the peace park by soldiers from a nuclear power runs counter to the spirit of peace. Under no circumstances can we allow that they show up in military garb," said Hirotami Yamada, head of a Nagasaki a-bomb survivors' group.

Blue Ridge crew members said they are also slated to visit the city's atomic bomb museum and some historic

sites, but have scrapped plans to invite Nagasaki citizens aboard their ship to take a look around.

The peace park visit is slated for Saturday.

Murayama Meets UNESCO Director General

*OW1109124695 Tokyo KYODO in English
1113 GMT 11 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 11 KYODO — The chief of the United Nations Educational, Scientific and Cultural Organization (UNESCO) said Monday [11 September] he expects Japan to have a permanent seat on the UN Security Council in the near future.

UNESCO Director General Federico Mayor told Prime Minister Tomiichi Murayama at the latter's official residence that having a seat would enable Japan to play a greater role in education and culture, a government official said.

Murayama pointed to the importance of UNESCO in resolving refugee and environmental problems, saying that these problems cannot be resolved unless the level of education is raised, the official said.

Murayama did not refer directly to the UN Security Council issue, the official said.

The ruling coalition has yet to reach consensus on whether Japan ought to aim for a permanent seat on the UN Security Council. Murayama's Social Democratic Party and new party Sakigake [Harbinger] are cautious about having a seat, unlike the Liberal Democratic Party.

On other topics, Mayor asked Murayama to attend an event to mark the 50th anniversary of the founding of UNESCO slated for November in Paris. Murayama said he would send Education Minister Yoshinobu Shimamura on his behalf, the official said.

Kono, UNESCO Director General Hold Talks

*OW1209091295 Tokyo KYODO in English
0831 GMT 12 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 12 KYODO — The head of the U.N. Educational, Scientific and Cultural Organization (UNESCO) and Foreign Minister Yohei Kono agreed Tuesday [12 September] to cooperate in trying to bring the United States and Britain back to the organization, a Foreign Ministry official said.

UNESCO Director General Federico Mayor Zaragoza and Kono agreed during 40 minutes of talks at the ministry that it is important for the U.S. and Britain to return to UNESCO and that Japan and the UN body should cooperate to realize that, the official said.

Alleging inefficiency, financial mismanagement and political bias, the U.S. withdrew from the organization in 1984, followed in 1985 by Britain and Singapore.

Japan joined the Paris-based UNESCO in 1951 and is now the largest financial contributor to the organization.

Mayor, who is serving his second term as head of the body, told Kono he hopes Japan will play a leading role in the cultural field if it becomes a permanent member of the UN Security Council, the official said.

He proposed creating a branch of the World Heritage Center in Japan to show the Asia-Pacific region's role in cultural protection.

The center, headquartered in Paris, was set up under the World Heritage Convention which aims at protecting the world's cultural and natural heritages.

On other topics, Kono urged UNESCO's cooperation in increasing the number of Japanese staff to strengthen Japan's ties with the body, the official said.

Mayor agreed to make efforts, saying that although there have been improvements recently, the number of Japanese staff is still small.

According to the ministry, there are 28 Japanese staff among UNESCO's 2,000 members.

Kono also urged UNESCO to make more use of the UN University based in Tokyo, the official said.

Article Views Worsening Ties With Paris

*OW1109125995 Tokyo MAINICHI SHIMBUN
in Japanese 11 Sep 95 Morning Edition p 3*

[FBIS Translated Text] The government is worried that relations between Japan and France, which have been strained over France's resumption of nuclear testing, might further worsen through the French Army's 10 September seizure of a protest ship against France's nuclear testing, because two Sakigake [Harbinger] members were aboard the ship.

After it became likely that the two Sakigake members — Noboru Usami and Ko Tanaka — would be released on the morning of 11 September Japan time, a senior Foreign Ministry official said: "We should not get too hot." The government's official view is that the incident will not much affect relations between the two countries. However, bilateral relations have been strained since France strongly criticized Finance Minister Masayoshi Takemura's participation in a gathering in Tahiti to protest France's nuclear testing.

Apart from the recent incident, the government intends to send Nobuo Matsunaga to Paris as a special emissary

to protest France's resumption of nuclear testing. It will also file a protest at a Japan-France foreign ministerial meeting to be held simultaneously with a meeting of the UN General Assembly scheduled for late September. However, France has intensified its criticism of Japanese politicians' participation in the protest movement against the country's nuclear testing. French Foreign Minister Herve de Charrette said: "If I visited Japan to join a march to protest a Japanese Government policy, I would be dismissed." It is possible that the incident may affect France's decision to accept a special envoy from Tokyo and the planned foreign ministerial meeting.

On the night of 10 September, the Foreign Ministry informed Sakigake that Usami and Tanaka were likely to be released. Upon their release, Sakigake will contact them to hear the details of the incident and discuss how the party should deal with the matter. Yukio Edano, a Sakigake lower house member, said: "We will continually ask the Foreign Ministry and the parties concerned to make efforts for their release until they are actually freed." At a news conference at a Sakigake head office on the evening of 10 September, Seiichi Mizuno, who is in charge of public relations, read Sakigake Chief Secretary Yukio Hatoyama's statement, which said: "We believe their protest activities were within legal and diplomatic limits. We regret it if they have gone beyond the limits. Sakigake will do its utmost for their earliest release. At the same time, it will urge the French Government to treat them properly based on the principles of law and justice and to immediately stop nuclear testing."

Basic Accord of Former Yugoslav Parties Welcomed

*OW1109130095 Tokyo KYODO in English
0926 GMT 11 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept 11 KYODO — Japan welcomed Monday [11 September] an agreement on basic principles for peace in Bosnia reached among three former Yugoslav republics.

Foreign Minister Yohei Kono issued a statement welcoming the accord as an "important first step" toward the solution of the conflicts in the former Yugoslavia.

Japan hopes all warring parties cooperate to reach an early solution to the conflicts, Kono said, and vowed continued Japanese support for efforts by the so-called contact group and the United Nations.

The accord, reached by the foreign ministers of Bosnia, Croatia and Serbia Friday in Geneva, recognizes Bosnia within its current international borders but divides it up into two parts between Serbs and a Muslim-Croat alliance.

Murayama Leaves for Middle East Tour

*OW1209012695 Tokyo KYODO in English
0051 GMT 12 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 12 KYODO — Prime Minister Tomiichi Murayama on Tuesday [12 September] left for a five-nation tour of the Middle East.

Besides meeting the leaders of Saudi Arabia, Egypt, Syria, Israel and Jordan, Murayama is also scheduled to meet Palestine Liberation Organization leader Yasser Arafat during a visit to Palestinian self-rule areas in the region.

Talks will focus on bilateral relations and the peace process in the Middle East. Murayama will return to Japan on Sept. 19.

Editorial Previews Murayama's Middle East Tour

*OW1209030595 Tokyo YOMIURI SHIMBUN
in Japanese 11 Sep 95 Morning Edition p 3*

[Editorial: "A Journey To Bolster Japan's Image in the Middle East"]

[FBIS Translated Text] Prime Minister Tomiichi Murayama will begin his Middle East tour on 12 September. It will take him to Saudi Arabia, an oil-producing giant in the Persian Gulf; to Egypt, a political superpower in the Middle East; to Syria, Israel, and Jordan, the three countries directly involved in the ongoing Middle East peace process; and to the Gaza Strip, now provisionally under Palestinian self-rule.

The peace process is making progress in the Middle East, following two major events — the collapse of the Cold War structure and the Persian Gulf crisis — and a new order is being formulated in both politics and economics. An era of discord and conflict is changing into one of harmony and mutual prosperity.

Since Japan relies on the Middle East for more than 75 percent of its oil, the region is vital for securing a stable, long-term energy supply. Thus the scope of Japan's diplomatic relations with the Middle East must be broadened and deepened to respond to changes in the region.

There are two main points about Japan's efforts toward that end: First, Japan should actively participate in the Middle East peace process and provide necessary support. Second, Japan should routinely deepen ties with Middle East countries, including exchanges between top government officials, and build a broad relationship of mutual trust.

Recently, the government decided to send Self Defense Forces [SDF] personnel to support UN peacekeeping

operations (PKO) in the Israeli-occupied Golan Heights, the return of which Israel and Syria have been discussing. Japan has decided to contribute in this way to the Middle East peace process.

What is particularly notable about Murayama's coming Middle East tour is that he plans to visit countries (and meet people) directly involved in the peace process. After meeting Syrian President Hafiz al-Asad in Damascus, Murayama plans to fly immediately to Israel to hold discussions with Prime Minister Yitzhaq Rabin.

Prime Minister Murayama should obtain reassurance from Syria and Israel that they will cooperate totally on SDF activities and at the same time strongly urge them to pour their utmost efforts into settling the Golan Heights dispute quickly.

Murayama plans to meet PLO leader Yasser Arafat in the Gaza Strip and convey Japan's intention to continue extending beyond next year financial aid for Palestinian self-rule efforts. He will also announce Japan's plan to send personnel to participate in the international monitoring team that will observe Palestinian self-rule elections, to be held as early as late this year.

If Japan, as a major industrialized nation, succeeds in giving the Palestinians a strong impression of support for their self-rule efforts, it will effectively drive the peace process forward.

Japanese leaders have held summit meetings with their Middle East counterparts in the past: Prime Minister Takeo Fukuda visited Middle East countries in September 1978, as did former Prime Minister Toshiki Kaifu in October 1990. Fukuda visited when the Iranian monarchy under Shah Mohammad Reza Pahlavi was on the verge of collapse, and Kaifu went during the Gulf crisis.

In both cases, Japanese leaders visited the Middle East when the region was in turmoil and Japan was concerned about securing a stable oil supply. Consequently, it was only natural that Japan was frowned upon by other countries as conducting a "give-us-oil diplomacy." In those summit meetings, priority was naturally given to Japan's immediate concerns.

Although developments in the Iraqi Government under President Saddam Husayn may be something to watch for, the current situation in the Middle East does not warrant immediate Japanese concern over securing a stable oil supply. Instead, Murayama will be touring the Middle East at a time when a favorable, future-oriented current is flowing in the region.

It is desirable for Murayama to hold discussions with his Middle East counterparts from a long-term viewpoint on how Japan can make economic and political

contributions to the region. We hope his journey will help boost Japan's image in the Middle East.

Murayama Holds Talks With Panamanian President

*OW1109113095 Tokyo KYODO in English
0908 GMT 11 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 11 KYODO — Prime Minister Tomiichi Murayama urged Panama on Monday [11 September] to smoothly manage the Panama Canal after its return to the country by the United States in 2000, government officials said.

Murayama made the request when he met with Panamanian President Ernesto Perez Balladares at his official residence, the officials said.

Murayama pledged to extend economic assistance to that end, including the dispatch of a survey mission for development of port facilities in Panama, the officials said.

Balladares called on Japan to cooperate in implementing a project to expand the canal. The president also asked that Japan send a mission to a meeting of ministers from countries making use of the canal slated for September 1997.

Murayama told Balladares that Tokyo will consider sending a high-level delegation to the meeting, the officials said.

Japan is the world's second most frequent user of the Panama Canal. Balladares arrived in Tokyo Saturday for a five-day visit.

Tokyo Wants To Form APEC Arbitration Body

*OW1109120595 Tokyo MAINICHI SHIMBUN
in Japanese 10 Sep 95 Morning Edition p 9*

[FBIS Translated Text] An informed source disclosed on 9 September that the government has decided to include the phrase "the Asia-Pacific Economic Cooperation (APEC) forum will work out a concrete plan to establish its own organ to arbitrate trade disputes by 1996" in the action program to be adopted at the Osaka APEC meeting in November. The purpose is to control and settle bilateral trade frictions within APEC, such as the Japan-U.S. auto talks. The government will present this as an APEC chairman's proposal to the special senior working-level meeting set to meet in Hong Kong on 12 September for deliberation.

Bilateral disputes have frequently occurred among the APEC members, including Japan-U.S. trade disputes and U.S.-China patent disputes, and these disputes have become problematic. Although the World Trade

Organization (WTO) has a body to settle such trade disputes, the following defects have been pointed out: 1) The WTO cannot deal with such issues as private business practices and issues related to the service field, which are not included in its rules; and 2) the rights and wrongs of the disputing nations often become the subject of debate.^y

The proposed APEC arbitration organ will be something between bilateral talks and WTO conflict settlement. It is expected to deal mainly with trade issues the WTO cannot cover. At the same time, a third nation will hear the arguments from the parties in a trade dispute in order to seek a peaceful solution. The Japanese Government wants to decide on the organ's characteristics and procedures and aims at establishing the body at the APEC Manila meeting in November 1996.

Lowering Tariffs on APEC Farm Products Opposed
OW0909134795 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 9 Sep 95 Morning Edition p 7

[FBIS Translated Text] Administrative Vice-Minister Hirohumi Ueno of the Ministry of Agriculture, Forestry and Fisheries [MAFF] called on Prime Minister Tomiichi Murayama at his official residence on 8 September to brief the latter on the issue of lowering tariffs on agricultural products ahead of schedule, which has become a focal point in the Asia-Pacific Economic Cooperation Conference (APEC) forum. During the briefing, Ueno said: "Our nation is now phasing out the tariffs on farm products after the Uruguay Round was concluded at long last. Under present circumstances, our nation cannot accept any proposal for lowering the tariffs ahead schedule." In response, Prime Minister Murayama said: "The government and ruling parties should decide how Japan should deal with the issue after fully discussing it."

Ueno called on the prime minister to brief the latter on the issue on the eve of an APEC high-level special working meeting scheduled to be held in Hong Kong next week.

The Hong Kong meeting is expected to make the final coordination of an "action guideline" for the liberalization of trade which will be adopted in the APEC Osaka conference scheduled for November. Speaking at a news conference held after his meeting with the prime minister, Ueno noted a consensus within the government against lowering the tariffs on farm products ahead of schedule, saying, "The MAFF's position against lowering the tariffs on farm products ahead of schedule is not very different from the position taken by other government ministries."

Tokyo To Propose Asian IPR Program at APEC

OW1109054195 Tokyo YOMIURI SHIMBUN
in Japanese 9 Sep 95 Morning Edition p 6

[FBIS Translated Text] On 8 September, a government source disclosed that the government will start a new project, designed to train capable people, to improve a system for intellectual property rights [IPR], including patent right, and to promote international harmony in Asia-Pacific Economic Cooperation (APEC) council member nations and regions.

At an APEC meeting slated to be held in November in Osaka, the government will make a proposal to form a "Asia-Pacific center for intellectual property rights" (tentative name), which will be a foothold for promotion of the project, in Japan. The government will shoulder almost all of the funding and other expenses needed for construction of the center. Regarding an "action plan," which will be adopted at the Osaka meeting for liberalization of trade and investment, the government wants to clearly explain its plan aimed at protecting intellectual property rights and promoting harmony for smooth economic activities in the region.

To be more specific, the government will offer guidance and lessens at the center by forming a training system for patent judges and patent lawyers in Asian regions, where an intellectual property rights system has not improved sufficiently. About 1,000 people will receive trainings at the center by 2000. The government will make a database by incorporating in it information on patent within the APEC region and other matters, thereby improving a system people can freely use. It will also hold symposiums on intellectual property rights.

General understanding of intellectual property right is low and patent screening system is not sufficient in Asia. Because of this, many imitation goods are sold and there are many cases of violating intellectual property rights. They are obstacles to construction of economic relations with the developed countries.

The project will be launched because Japan, as host nation of the Osaka meeting, came to a conclusion that it was necessary to show its concrete actions aimed at smooth implementation of trade and investment.

'Action Guideline' of APEC Forum Viewed

OW1109054595 Tokyo YOMIURI SHIMBUN
in Japanese 8 Sep 95 Morning Edition p 7

[FBIS Translated Text] The details of Japan's draft "action guideline" for liberalization of trade and investment were disclosed on 7 September. It will be submitted to an Asia-Pacific Economic Cooperation (APEC) forum

special meeting of senior government officials scheduled for Hong Kong on 12 and 13 September.

The guideline sets a deadline for achieving several goals, such as harmonizing standards with permits and simplifying customs formalities. At the same time, however, concerning the principle of "liberalization without exception," which has come under opposition in Japan for fear of the possibility that it will further promote liberalization of the agricultural market, the proposal substantially approves exceptions. It is believed that apart from Japan itself, only South Korea will support its stand. Other member nations and regions are likely to severely criticize Japan, host nation of the upcoming APEC forum, at the Hong Kong conference.

While holding that "liberalization without exception" is the general rule for liberalization, an article of the proposal clearly says that "In considering each member nation's characteristics, certain measures will be allowed to be implemented in the process of smoothing the way to liberalization."

Although this expression was used in Japan's first draft proposal submitted to a conference of senior government officials held in July, representatives of member nations, including the United States, strongly opposed it, and urged that the expression be removed or drastically changed.

However, the Ministry of Agriculture, Fishery, and Forestry and Diet members of the ruling parties, who work for the agricultural sector's interests, had firmly insisted that Japan should never open up the agricultural market further than it promised under the accords of the Uruguay Round talks (multilateral trade negotiations), and their assertion became that of the government. After all, the expression was included in Japan's proposal without a change.

Reportage on Flood Emergency Aid to DPRK

Murayama Considers Sending Aid

*OW0909162495 Tokyo YOMIURI SHIMBUN
in Japanese 8 Sep 95 Morning Edition p 3*

[FBIS Translated Text] Speaking on the afternoon of 7 September on the question of providing aid to the DPRK (North Korea), which sustained major damage from heavy rainfall this summer, Prime Minister Tomiichi Murayama indicated he would think about it in a forward-looking manner, saying, "Of course, there should be no problem if it is humanitarian aid."

Murayama made the remark in reply to a question from the press corps at the prime minister's office regarding a request by the General Association of Korean Residents in Japan [Chongnyon] to provide aid to North Korea

from a humanitarian standpoint. The request in writing, which was received in the morning, was addressed to Murayama as chairman of the Social Democratic Party of Japan [SDPJ].

Ho Chong-man, vice chairman of Chongnyon, in his meeting with SDPJ Vice Chairman Kosuke Uehara at the SDPJ's office, explained the extent of the damage from the rainfall and asked for aid, saying, "This is the biggest flood disaster since the foundation of the country. We would like to request aid (from Japan) from a humanitarian viewpoint."

Referring to Japan's repulsion to a remark allegedly made by a senior DPRK Workers Party official about Japan's first shipment of rice aid claiming, "Japan's rice aid was made as an apology for its past colonial rule", Ho said, "Please understand, the person himself says he never made such a remark."

Tokyo To Extend Aid Through WHO

*OW1209133995 Tokyo YOMIURI SHIMBUN
in Japanese 12 Sep 95 Morning Edition p 3*

[FBIS Translated Text] On 11 September, the government decided to extend financial aid to the DPRK (North Korea), which is suffering damage from heavy rainfalls, through the World Health Organization (WHO) and other international bodies.

The United Nations' Department of Human Aid (DHA) [name as published], plans to announce the outcome of its on-the-spot survey on damage on 12 September. After examining the results, Japan will extend financial assistance to the DPRK through multilateral aid channels in industrialized nations. Tokyo plans not to give direct aid for the time being.

AMDA Group To Send Medicine

*OW1109141595 Tokyo KYODO in English
1407 GMT 11 Sep 95*

[FBIS Transcribed Text] Okayama, Japan, Sept. 11 KYODO — An Okayama-based Asian doctors' group announced Monday [11 September] it will send 3 tons of medicine and other supplies this week to North Korea, following floods caused by heavy rains in August.

The relief supplies will be loaded on a liner Wednesday at Niigata Port along the Sea of Japan and arrive in Wonsan, east of Pyongyang, the following day, said officials from the Association of Medical Doctors of Asia (AMDA).

Floods in North Korea have affected some 5.2 million people, destroying houses and medical facilities, AMDA members said.

The North Korean office in Geneva directly asked AMDA for help earlier this month, they said.

AMDA doctors and nurses have been involved in other relief activities, including traveling to Kobe in January and the Russian Far East island of Sakhalin in May after those two areas were struck by strong earthquakes.

The group has also dispatched medical teams to treat refugees in such countries as Cambodia, Nepal and Somalia.

AMDA is asking the public to donate food and daily necessities to be sent to North Korea. Their office telephone number is 086(284)7730.

Article on DPRK Kim Il-song's Successor

*OW1209124395 Tokyo AERA in Japanese 11 Sep 95
p 26, 27*

[Article by editorial staffer Kiyoshi Hasaba; "Has Secretary Kim Chong-il Already Assumed the Post of Party General Secretary?"]

[FBIS Translated Text] About one year has passed since President Kim Il-song died. Secretary Kim Chong-il, who has been mentioned as successor to the late President Kim Il-song, has not been heard from in Pyongyang. What has happened to his warranted assumption of the top post in North Korea? There are signs that Secretary Kim Chong-il has already taken in profound secrecy the post of party general secretary.

The body of the late President Kim Il-song of the DPRK (North Korea) has been treated for permanent preservation, and his body is being shown to the public at the Kumsusan Memorial Palace. According to some Japanese who visited Pyongyang this summer, the body is laying in state on a large bed inside the glass capsule in a room on the third floor of the palace.

The body is dressed in dark-blue suit and white and black-striped shirt with red cloth covering it up to the chest. Visitors make their first bow near his feet and then move clockwise to make their second bow on the right side of his face. They walk out of the palace after making their third bow near his head and their fourth on the left side of his face. Soldiers armed with pistols stand guard at four corners of the room. The expression of his face looked peaceful, but his face was tinged with yellow, perhaps because of the variation of the light.

Secret Plenary Session of the Workers' Party of Korea Has Decided in the Past

In North Korea, an unusual situation has continued where the post of president has remained vacant for about one year since President Kim Il-song died. Var-

ious speculations have abounded over when Secretary Kim Chong-il, known as the successor to the late President Kim Il-song, would assume the top post. The rampant speculations have been that he would take the top post after the "state funeral," "100 days after the late President Kim Il-song died" or (on 16 February), and on the "birthday of Secretary Kim Chong-il." The recent prevailing view was that he will become the top leader of North Korea after "the body of the late President Kim Il-song is treated." The Kumsusan Memorial Palace, where the body is laying in state, opened on 8 July, the first anniversary of his death, and his body is being shown to the public.

NODONG SINMUN, the organ of the ruling Workers' Party of Korea [WPK], in its editorial marking the first anniversary of his death, said: "In our nation, no event has been held to recommend (Secretary Kim Chong-il). There has been no political vacuum and instability at all in our society [since President Kim Il-song died]. All things in our nation have gone well in the political, economic, military, and cultural fields. This is a miraculous fact, unprecedented throughout the ages and countries of the world." The editorial went on to say: "Dear Comrade Kim Chong-il, who has been recommended by the party and people out of their will and desires as the top [shui] of the party and revolution, is a great leader with outstanding ideology and leadership as well as distinguished character." The editorial noted, "Secretary Kim Chong-il has been recommended as the top of the party and revolution" while saying, "No event has been held to recommend him."

Commenting on the relationship between Secretary Kim Chong-il and the party, NODONG SINMUN, in its 18 July editorial, said, "Our party is led by dear Secretary Kim Chong-il." In its 9 August editorial, NODONG SINMUN also said, "Comrade Kim Il-song is exactly Comrade Kim Chong-il, and Comrade Kim Chong-il is exactly our party."

It can be said that these editorials probably indicated that although no special event has been held to recommend Secretary Kim Chong-il, he has already assumed the post of party general secretary.

Kim Chong-il was elected a member of the WPK Political Bureau in the 1974 plenary session of the WPK Central Committee, and his election came to light in the 1980s. Similarly, there have been many "precedents" that important appointments have been decided secretly in North Korea.

Notwithstanding, the state of North Korea as a nation has been extremely unusual. If "all things have gone well in North Korea," there would be no choice but

to call it a "miraculous fact" as noted by NODONG SINMUN.

Among other things, there is no president in North Korea. The North Korean Constitution stipulates the president as "head of the state." He is mandated to "appoint diplomatic representatives and announce their recalls." According to an informed source, credentials for North Korean ambassadors are still using the name of "Kim Il-song."

Noteworthy 10 October

The North Korean Constitution stipulates that the Supreme People's Assembly, the equivalent of parliament, "shall hold one or two regular sessions a year." But the Supreme People's Assembly has not held a regular session since April 1994. What has become of the 1995 budget that is to be decided by the Supreme People's Assembly?

O Chin-u, who served as defense minister for a long time, died in February this year. Who has succeeded him as defense minister?

North Korea will mark the 47th anniversary of the founding of the DPRK on 9 September and the 50th anniversary of the founding of the WPK on 10 October. It is observed that a successor to the late President Kim Il-song could be formally announced on either of the two dates. Han Tok-su, chairman of the General Association of Korean Residents in Japan [Chongnyon] and a member of the Supreme People's Assembly, has returned to Japan after attending ceremonies marking the first anniversary of President Kim Il-song's death. He is now working on preparations for a plenary session of the Chongnyon scheduled to be held in mid-September. In light of his moves, the speculation that Secretary Kim Chong-il would assume the top post in North Korea lacks persuasiveness. It would be 10 October when he assumes the top post, if at all. NODONG SINMUN has already launched a campaign for the 50th anniversary of the founding of the WPK, calling the event a "big celebration of victors." The possibility is still high that Secretary Kim Chong-il will assume the top post at the "big celebration" or the "big cerebation" could become an event to cerebrate his assumption of the top post if he has already taken the post.

In the case of the head of state, however, it is a little different. While NODONG SINMUN is calling Secretary Kim Chong-il the "top of the party," the Pyongyang broadcasting station said on 29 July: "In the history of politics thus far, it has been a common practice that if a ruler dies, supreme power is transferred to another ruler without a delay of one day. (passage

omitted). Comrade Kim Chong-il has concentrated all of his soul and wisdom on fulfilling the desires of the people who have tried to believe highly in his father, the great leader." (received by the Radio Press).

The Pyongyang Broadcasting Station stressed that "Secretary Kim Chong-il shows no desire for supreme power." It seems that the emphasis suggested that Secretary Kim Chong-il would not assume the presidency for the time being.

The "Absence of President Intentional"

Aside from the timing for Secretary Kim Chong-il to assume the presidency, some researchers have asked why has he not yet assumed it. Hideya Kurata, a lecturer at the Tokoha Gakuen Fuji College, says, "As a result, things have gone in favor of North Korea in relations with South Korea."

President Kim Il-song promised not long before his death that he would hold a North-South summit meeting with President Kim Yong-sam. On the North-South summit meeting, the South Korean side says, "No conditions will be created for the North-South summit meeting before Secretary Kim Chong-il assumes the presidency." For North Korea, which does not want to hold the North-South summit meeting, the absence of a president is convenient.

On the other hand, Haruki Wada, professor at Tokyo University, says: "If Secretary Kim Chong-il becomes president, he will have to take on diplomatic duties, and high on his diplomatic agenda is the North-South summit meeting. He is believed to have not assumed the presidency with the aim of avoiding the North-South summit meeting. Since he will be unable to shy away from his diplomatic duties, he will soon assume the presidency."

According a Korean residing in Japan who recently visited his hometown in North Korea, food rationing in Pyongyang was suspended at one time this summer. It was the first time that food rationing had been suspended in the capital of North Korea. The Pyongyang broadcasting station has frequently reported torrential rains on the countryside since August.

The road to holding the "big cerebation" on 10 October is rough for Secretary Kim Chong-il.

Yen Loans To Assist Philippine Land Reform

OW0709004495 Tokyo MAINICHI SHIMBUN
in Japanese 5 Sep 95 Morning Edition p 9

[FBIS Translated Text] The government is assisting land reform in the Philippines via the use of yen loans. The Overseas Economic Cooperation Fund (OECF)

signed a contract for yen loans totaling 6.1 billion yen with the Philippines Government at the end of August. The loans will be allocated for infrastructure improvement, including construction and renovation of irrigation facilities. The fund will be also allocated for activities of nongovernmental organizations (NGO). This will be the first time that NGO activities will be funded by yen loans.

The Philippines Government is promoting a 10-year land reform project from 1988 to 1998, which aims at distributing 4.2 million hectares of farmland (over 40 percent of total farmland) for farmers who do not own land. The project is being promoted under the Ramos administration. However, since the effective use of farmland after redistribution has become a problem, Japan has decided to provide cooperation in improving the infrastructure, including irrigation and draining facilities and roads.

Moreover, the NGO's plan to promote the organization of farmers, by forming agricultural cooperatives, and to provide agricultural technology in various areas in that country. To support such NGO activities, 520 million yen of loans will be allocated.

Murayama: Package To Include Deregulation Steps
OW1109074795 Tokyo KYODO in English
0735 GMT 11 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 11 KYODO — Prime Minister Tomiichi Murayama said Monday [11 September] that a package of economic measures, to be released by the government on Sept. 20, will include concrete deregulation steps that can be implemented and produce intended results.

The package should not only stimulate domestic demand but also steadily promote Japan's economic reform so as to make the nation's economic recovery more certain, Murayama said.

The prime minister made the remarks at a meeting between top officials of the government and the three ruling coalition parties.

Miyazaki Instructed To Stimulate Economic Demand

OW1209033795 Tokyo KYODO in English
0122 GMT 12 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 12 KYODO — Prime Minister Tomiichi Murayama instructed Tuesday [12 September] the nation's top economic planner Isamu Miyazaki to emphasize ways to stimulate domestic demand, economic restructuring and deregulation in

formulating a new pump-priming package, Miyazaki said.

At a news conference, Miyazaki, director general of the Economic Planning Agency, said he received a request from Murayama for the agency to compile the package that features "a significant addition" in spending for public works projects.

Miyazaki also said his agency was asked to devise economic restructuring and deregulatory steps as specific as possible in line with the government's three-year deregulation plan.

Murayama also stressed the need to map out ways to create new business opportunities and promote imports, Miyazaki said.

The government plans to work out the new stimulus plan by Sept. 20 to shore up the long-sagging economy.

Miyazaki said further efforts to stimulate the economy are needed even after the Sept. 20 package, citing more longer-term steps such as tax reforms and the disposal of banks' bad loans.

"Stimulus steps should not be ended just with the Sept. 20 package," he said.

"The upcoming package is part of an economy-boosting process that began steps in April against the strong yen and as the latest step also included the Bank of Japan's cut in the discount rate," he said.

Miyazaki said he will meet International Trade and Industry Minister Ryutaro Hashimoto later in the morning to discuss ways to buoy up the economy.

"Topics will cover ways to expand domestic demand and spending allocation for such a purpose," Miyazaki said.

He also said Hashimoto will probably ask for the package to include ways to stimulate research and development and new business creation.

On the ongoing process toward the Osaka meeting of the Asia-Pacific Economic Cooperation (APEC) forum, Miyazaki said he basically supports comprehensive coverage of trade-freeing principles to all trade sectors.

Japan, as the host of this year's APEC round, is in charge of wrapping up views and opinions of APEC members on the action agenda, a set of trade liberalization guidelines due to be formally adopted at the November APEC summit in Osaka.

Views are still mixed over whether or not APEC accords should cover all trade areas, including sensitive fields like farm trade.

Takemura Suggests Review of Postal Savings

*OW1209034195 Tokyo KYODO in English
0200 GMT 12 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 12 KYODO — Finance Minister Masayoshi Takemura on Tuesday [12 September] suggested the need to review the postal savings system.

Takemura said at a press conference after regular cabinet meeting, "these days, postal savings have become massive...It is not good that the government enterprise has eroded the private sector."

Noting that the public sector should be a supplement to private businesses, Takemura pointed to the need for a review of the government's fiscal investment and loan program, most of the financial sources for which come from postal savings.

"Specific discussion on the fiscal investment and loan program, including postal savings, is welcome," Takemura said.

The review of the fiscal investment and loan program, including the postal savings system, is a focal point of the upcoming presidential election of the Liberal Democratic Party (LDP), the largest of the ruling coalition.

On another pump-priming package, due out Sept. 20, Takemura said the government will take drastic steps and compile a second supplementary budget effective enough to prop up the economy.

The government has yet to decide on the size of the package, Takemura said, adding, "a figure will be fixed (after consultations)."

In addition to fiscal, monetary and tax measures, Takemura stressed the need for effective deregulation at a time when Japan's economy is under pressure to undergo structural changes.

For the package, Prime Minister Tomiichi Murayama urged drastic addition of public works projects with a view to expanding domestic demand and deregulation to promote structural reforms, Takemura said.

Murayama also called for measures to support employment and to help smaller businesses as well as to tackle problems of sluggish land sales and nonperforming loans, Takemura said.

Economists Comment on EPA's Economic Report

*OW1109124595 Tokyo KYODO in English
1107 GMT 11 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 11 KYODO — The Economic Planning Agency's (EPA) pessimistic assessment of the economy in its September report amounts to a virtual declaration of the start of a recession, some private-sector economists said Monday [11 September].

"The Japanese economy, with its recovery having stalled for a long time, is now moving on a weak note," the EPA report said.

It is the first time in about a year the agency has deleted the word "recovery" from the summary section of its monthly report.

The new report instead used the phrase "moving on a weak note" in describing the country's economic performance, the first since the agency declared last September that the economy had started moving toward the direction of a recovery.

"The wording can be taken as a declaration that the economy has started receding," one private-sector economist said.

"Economic conditions have exacerbated so sharply as to make it impossible to window-dress them with rhetorics," the economist said.

But an economist at the agency's research bureau refuted the interpretation, saying, "the economy has not yet entered a recessionary phase."

"We would like to monitor the situation for the time being" before coming up with a definitive judgment, the agency economist said.

The September report was released after a projected figure for an index for industrial production in the July-September quarter dropped to the minus side.

Bank of Japan Governor Yasuo Matsushita said Friday that the central bank had to cut the official discount rate "to prevent the exacerbation of a phenomenon that looks like deflation."

Tax Commission Head on Key Reform Proposals

*OW1109010095 Tokyo SANKEI SHIMBUN
in Japanese 7 Sep 95 Morning Edition p 1*

[FBIS Translated Text] The Tax Commission (advisory organ to the prime minister) Chairman Hiroshi Kato (president of Chiba University of Commerce) disclosed in an interview with SANKEI SHIMBUN on 6 September that, in a work to review the tax system for the next

fiscal year scheduled, which is scheduled to start on 12 September, efforts will be made to ease the land tax system by emphasizing a cut in the registration and license tax and the real estate acquisition tax, and to reduce taxation on juridical persons. In an effort to stimulate the economy, which has come to a standstill, the committee plans to establish a well-balanced tax system while taking into consideration the industrial circles' calls for tax cuts.

As for the land tax system, which is the focus of tax reform efforts, Chairman Kato said "cutting the registration and license tax and the real estate acquisition tax, which are imposed when a person acquires land, is effective as a measure to boost the demand for lands," thus indicating his intentions to include cuts in taxes on individuals in the FY96 tax system.

In connection with a review of the land value tax, which is imposed on land holders, Kato said "I do not think abolishing the land value tax will lead to promoting liquidity of lands," thus holding moves of the Liberal Democratic Party and the industrial circles, who are calling for the freezing and abolition of the land value tax, in check. Kato added: "It is necessary to study the possible review of the tax value system before releasing a mid-term report next year in which a grand picture of land-holding taxes is to be indicated, rather than jumping to a conclusion."

Concerning taxation on juridical persons, the panel will start a full-fledged review beginning this month, in line with a policy of "cutting tax rates while expanding taxation articles," as proposed in a report worked out in November 1994. But the chairman of the panel said: "The corporation tax rate has reached an appropriate level when compared with that of foreign nations. From now on, we want to consider reducing tax burdens with an emphasis on cutting the enterprise tax." In this way, Kato indicated intentions to draw a conclusion on the drastic taxation review on juridical persons by the time the mid-term report will be submitted.

As part of the next fiscal year tax reform, the chairman said continuing income tax cuts, cuts in income tax on land transfer, and an increase in taxes on liquor and tobacco will be studied in panel sessions. Moreover, the panel plans to discuss from a broad point of view a possible review of property tax, such as a review of the securities tax system, including the securities transaction tax, and the enhancement of the interest tax.

Asked about a plan to freeze taxation on deemed dividend proposed by the ruling coalition as a measure to boost stock prices, Chairman Kato said: "It will be approved at a general meeting scheduled for 12 September. At any rate, I am resolved to abolish it." As

for the issue of supplying of public funds as a measure to write off bad loans, Kato said: "We will discuss the matter as early as possible in line with a plan to be worked out by the end of September by the Committee on Financial Systems Research."

Panel Urges Suspension of Own-Stock Profit Tax

*OW1209061995 Tokyo KYODO in English
0410 GMT 12 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 12 KYODO — The ruling coalition's tax panel agreed Tuesday [12 September] to seek the suspension of a tax on profits companies make on buying their own shares to help boost the stock market.

The plan to suspend the taxation until March 31, 1999, will be submitted to an extraordinary Diet session expected to convene around the end of the month and would take effect immediately upon enactment.

The move is meant to encourage companies to buy back and retire their shares, which would both increase demand and reduce supply, thus reinvigorating the market.

The profits from such buybacks are now taxed as dividends because they increase the firm's capital per share.

Japanese companies issued stock heavily in the late 1980s "bubble" era as the market surged to record highs. The resulting volume, outstripping demand, is seen as one factor behind the prolonged slump, in which the benchmark stock index remains around half its 1989 peak level.

Keidanren Chairman Wants Corporate Tax Cut

*OW1209120095 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 12 Sep 95 Morning Edition p 5*

[FBIS Translated Text] At an 11 September news conference, Shoichiro Toyoda, chairman of Keidanren [Federation of Economic Organizations of Japan], talked about the ongoing debate on tax reform in the next fiscal year.

He said: "The most important thing is to reduce the effective corporate tax rate, which amounts to 50 percent when national and local taxes are combined, and which is high by international standards." He strongly asked the government to reduce corporate taxes.

With regard to the consumption tax rate, which will be increased to 5 percent in FY97, Toyoda emphasized that "the ratio between direct and indirect taxes should be revised drastically." He indicated the need to increase

the consumption tax as a revenue source to compensate for the corporate tax reduction.

Regarding the preferential tax treatment and tax exemptions created for specific industrial sectors, Toyoda stated: "Each item should be reviewed, and the unnecessary ones should be terminated. A review is always needed because the times change." As for the fact that industrial groups engage in lobbying activities to extend such tax measures, he said: "Such practices have to stop. The business sector is partly responsible for this." He argued for the necessity of reviewing such tax measures from the standpoint of deregulation.

Furthermore, with regard to the drafting of the second supplementary budget and the FY96 budget, Toyoda asked the government to reduce fiscal spending. He said: "The important thing is to reduce expenditures as much as possible." He also indicated that "in a emergency situation, the issuance of deficit-covering bonds may be inevitable."

Toyoda's view of the present economic situation is that "while some bright spots have appeared as a result of the slight improvement in yen appreciation and slumping stock prices, the feeling of business operators is still that the conditions are not good."

Commenting on the exchange rate, Toyoda said: "The yen rate is still too high." He argued for restoring the exchange rate to the 100 to 110 yen to a dollar level.

BOJ Head Emphasizes Safety of Banking System

*OW1209034995 Tokyo KYODO in English
0206 GMT 12 Sep 95*

[FBIS Transcribed Text] Basle, September 12 KYODO — Monday, Bank of Japan (BOJ) Governor Yasuo Matsushita said the Japanese banking system are fundamentally safe, an international financial source who attended the monthly gathering said.

"Japan's financial system as a whole will never collapse," he assured his counterparts at the meeting at the Basel-based Bank for International Settlements (BIS), the source said.

Matsushita briefed the other central bankers about the disposal plan for bankrupt banks, and on the BOJ's fundamental stance on the matter. Hyogo Bank, Japan's top second-tier regional bank, and Osaka-based Kizu Credit Union collapsed Aug. 30.

He also explained that the advisory body to the finance minister is speedily putting the final touches to measures to assist seven troubled housing loan companies, saddled with huge nonperforming loans in relation with real estate deals during the so-called bubble economy in the

late 1980s, which inflated stock and land prices, the source said.

Talking to the press after the meeting, Matsushita said he believed he has "gained the understanding" of the other central bankers.

The source said the central bankers asked the BOJ head to implement timely, adequate measures to support troubled Japanese banks, noting that an early solution would contribute to the stability of not only the Japanese economy but also the global economy.

The G-10 groups the United States, Britain, Japan, German, France, Belgium, Italy, Canada, the Netherlands and Sweden.

Some central bankers, who attended the BIS meeting, also expressed the hope that Japan's recent discount rate cut to 0.5 percent per annum, together with the economic package planned this month, will soon put the Japanese economy on a recovery track, the source added.

After the meeting, more than 20 reporters surrounded Matsushita, pressing the central banker with questions about the stability of the Japanese financial system.

An apparently irritated Matsushita tried to evade the questions.

One reporter said an explanation is called for, particularly at a time when concerns are growing in the United States and in European countries about the stability of the Japanese financial system.

Matsushita responded by saying he has not come specifically to say the system is in order and added such action would actually spur concern.

Another reporter suggested that too little explanation could lead to more worries in the U.S. and Europe.

Hashimoto on Deficit Bonds, Insurance Terms

*OW1209034795 Tokyo KYODO in English
0103 GMT 12 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 12 KYODO — Smaller companies need easier insurance terms and the government must float deficit bonds to boost the flagging economy, trade minister Ryutaro Hashimoto said Tuesday [12 September].

The Ministry of International Trade and Industry (MITI) will revise laws for submission to the coming extraordinary Diet session to raise the maximum loan insurance amount, the MITI chief said.

And the fiscal 1996 budget needs red-ink bonds as an immediate "shot in the arm," Hashimoto told a regular

news conference after a morning cabinet meeting, at which he said Prime Minister Tomiichi Murayama told the ministers to craft a "bold" economic stimulus package this month.

He praised the timing of the Bank of Japan's halving Friday of its official discount rate to 0.5 percent a year, saying it was quicker than he had expected but hinting that he thinks it was the last monetary easing.

Hashimoto and Economic Planning Agency chief Isamu Miyazaki, in a separate news conference, said they would meet at midmorning to discuss the economic package due to be compiled around Sept. 20.

Problems Facing MOF on Hyogo Takeover Plan

*OW1109015895 Tokyo TOKYO SHIMBUN
in Japanese 6 Sep 95 Morning Edition p 9*

[By Hironori Kiki]

[FBIS Translated Text] The outline of the Ministry of Finance's [MOF] plan for financing and assisting a program to set up a new bank to take over the failed Hyogo Bank is emerging. The MOF claims it wants a "bank closely tied to the local area," and has Junzo Yoneda, vice president of the Kobe Chamber of Commerce and Industry, (due to be named president of the new bank), standing in front; the ministry pretends it is only a "stagehand." But actually, it is resorting to highhanded pressure tactics as usual. Organizations that are due to take part in the program have begun to complain about authorities that insist the private sector must assume the lead on this issue and also bear the huge burdens of bad loans.

The institutions questioned, "So, the government itself does not want to provide anything?" Given the situation, the MOF has started to think about changing its plan toward having the Bank of Japan [BOJ] in the new bank as well.

The new bank will replace Hyogo Bank to serve as the financial institution that can meet the local economy's financial demands in implementing various projects, such as those for reconstruction of areas devastated by the great Hanshin earthquake. According to the financing plan for the new bank made known so far, the MOF (Banking Bureau) wants "several major financial institutions that have had close ties with Hyogo Bank and the local economy" to shoulder most of the financial burdens.

As such, the ministry is now in the process of requesting several banks — such as Sumitomo Bank, the biggest shareholder of Hyogo Bank, and Sanwa Bank, whose business base is in the Kansai region — to provide funds to the new bank.

As for the life and nonlife insurance companies which hold a total of 55 billion yen worth of deferred credits (loans with low priority for repayment) on Hyogo Bank, the ministry will ask them to participate in the plan by way of abandoning their credit claims, but being allowed to use part of the credits in amortizing bad credits of the new bank and to use the balance part as capital. The MOF assumes the total capital of the new bank to be 80 billion yen and is considering asking these major financial institutions to equally provide about 5 percent of the capital, 4 billion yen. In addition, cooperation will be sought from the Second Regional Bank Association and local corporations that belong to the Kobe Chamber of Commerce and Industry.

In dealing with 630 billion yen unrecoverable claims carried over by the new bank, the Deposit Insurance Corporation will first provide 400 billion yen in fund assistance, and then, part of shortfalls will be filled in with operating profits from 100 billion yen deferred credits undertaken by the BOJ with funds to be made available by abandoning of credits by associated life insurance companies. The remaining credits will be amortized over a 10-year period with profits made by the new bank.

However, many financial institutions that are considering making investments in the new bank are resistant to the MOF's one-sided request, saying: "If it is to be a pure private-sector-led bank, it will not be able to pay any dividends for the next 10 years. We cannot explain to our shareholders about the rationale in making investments in such a new bank."

Consequently, the MOF is now beginning to think that if enough capital cannot be raised from the private sector, there will be no other choice but to give up its original plan of forming the new bank under the "private sector's leadership" and to study the possibility of "the BOJ financing" based on the BOJ Act Section 25. There are some in the MOF who think that "it would be easy for the MOF to win the people's understanding if the government chose to enhance its own involvement by having the BOJ to make investments," (according to a senior MOF official). The MOF's idea of having the private sector take the leadership seems to have hit a snag already.

Industrial Circles Welcome Discount Rate Cut

*OW1209103495 Tokyo MAINICHI SHIMBUN
in Japanese 9 Sep 95 Morning Edition p 10*

[FBIS Translated Text] Industrial production circles unanimously welcome the recent official discount rate cut and subsequent decline in the value of the yen and the recovering stock prices, because there was a

growing uncertainty about the future of the economy; among other things, for four consecutive months the index of industrial production dropped lower than that of the previous months. Since it is possible that the unprecedentedly low interest rate may have a negative impact on the livelihood of the elderly and pensioners and reduce consumption in the short run, however, there is a growing demand on the government to promote strong economic measures centered on a large-scale supplementary budget.

The reduction of the official discount rate and the decline in the value of the yen will act as a fair wind to the electronics industries, which are revising their upward business forecast one after another following favorable sales of personal computers and semiconductors.

An NEC Corporation official said: "A one yen drop in the value of the yen will fetch us a profit of 2 billion yen. The exchange rate, which we set for the use within the company, is 90 yen to the dollar. Therefore, our profit would grow by 200 billion yen if the exchange rate were 100 yen to the dollar."

Since auto sales showed no marked fluctuations for July and August, automotive industrial circles are expecting a sales recovery, saying "We can expect the double effects of the introduction of new models, and the weak yen and growing stock prices," (according to Nissan Automotive Motor Co.). However, the exchange rate of one dollar equals 100 yen is a level marked early this year. Hiroshi Okuda, president of Toyota Motor Co. said: "The current exchange level still exceeds companies' adaptability, thus we hope the government will introduce various measures aimed at revising the yen rate to an appropriate level."

However, whether or not the economy, which is stagnating, will be able to recover once again depends on measures the government will introduce in the future. Jiro Nemoto, chairman of the Japan Federation of Employers' Associations, said: "We want the government to launch economic measures as soon as possible and quickly appropriate a second supplementary budget amounting to five trillion yen, at least, in terms of real government spending."

Kosaku Inaba, president of Japan Chamber of Commerce and Industry, first pointed out the concern that the bottomed out interest rate may take root in wake of the recent decision to lower the official discount rate. He then said: "Since it will narrow down our choices (on policy matters), the government needs to enrich the contents of its comprehensive economic measures."

FY96 Budget Requests Total 79.192 Trillion Yen

OW0809024795 Tokyo KYODO in English
0155 GMT 8 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 8 KYODO — Requests for the fiscal 1996 national budget by government ministries and agencies totaled 79,192.47 billion yen, up 11.6 percent from the current year's initial budget, while those for the fiscal investment and loan program rose 3 percent to 49,636.2 billion yen, the Finance Ministry said Friday [8 September].

Finance Minister Masayoshi Takemura explained the requests at the day's regular cabinet meeting headed by Prime Minister Tomiichi Murayama, ministry officials said.

The 11.6 percent growth in the general-account budget is the highest in seven years and the first double-digit growth since fiscal 1990, the officials said.

The 3 percent growth in the fiscal investment and loan program, known as the second national budget, is the smallest in 10 years, they said.

The ministry will screen the requests to compile its draft budget and the Murayama cabinet is to adopt a final budget plan in late December if everything goes smoothly, they said.

Requests for general operating expenditures — the core budget for defense, public works and other key spending which excludes debt servicing and tax grants to local governments — amounted to 43,928.73 billion yen, up 4.2 percent, the maximum allowed under a ceiling imposed in late July.

Carefully watched requests for the defense budget came to 4,860.6 billion yen, up 2.9 percent, the maximum ceiling limit. The 2.9 percent growth compares with a 0.855 percent rise in the initial fiscal 1995 budget.

Requests for outlays to finance official development assistance (ODA) rose 7.3 percent to 1,186.5 billion yen, exceeding the 7.0 percent growth limit set under the ceiling.

Requests for the general fiscal loan and investment program, the core of the second national budget, totaled 41,536.2 billion yen, up 3.2 percent from the fiscal 1995 initial program.

The program by government-affiliated organizations is designed to improve the infrastructure, such as roads and houses, by utilizing funds collected through postal savings and pensions.

In general operating expenditures, requests for special allocations on policy-priority public works came to

520.8 billion yen, much higher than the 300 billion yen earmarked for such spending.

Murayama Cabinet Members' Assets Made Public

OW1209091395 Tokyo KYODO in English
0825 GMT 12 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 12 KYODO — Foreign Minister Yohei Kono is the richest member of Prime Minister Tomiichi Murayama's new cabinet and Trade Minister Ryutaro Hashimoto ranks sixth in the wealth stakes in terms of market value of declared assets, according to official figures released Tuesday [12 September].

The market value of assets held by Kono and his family stood at 6.95 billion yen. Kono was also the wealthiest member of Murayama's first cabinet, which was formed in June last year.

The figure was tallied by KYODO NEWS SERVICE on the basis of official data released on the book value of assets held by Murayama and his 20 cabinet members as of Aug. 8, when the second Murayama cabinet was inaugurated.

The government to date has given only the book value of assets held by cabinet members, but this time it gave the market value for shares held by ministers.

Hashimoto, front-runner in the Liberal Democratic Party's Sept. 22 presidential race since Kono dropped out, had assets worth 426 million yen in market value.

Murayama ranked 11th with 268 million yen, down from the 310 million yen in August last year.

Murayama attributed the decline chiefly to a donation of 3 million yen to victims of the Jan. 17 earthquake that ravaged the western port city of Kobe and its vicinity and killed almost 6,000 people. Most cabinet members donated 1 million yen each to the quake victims.

"My assets went down because I withdrew time deposits to make donations for fund-raising charities and quake measures...I think fair disclosure of assets could enhance public confidence in politics," Murayama told reporters.

Kono was followed by Education Minister Yoshinobu Shimamura, who sparked an outcry of protest from Asian nations over his remarks when he took office Aug. 8 that there is no need for Japan any more to apologize for its wartime acts.

Shimamura's assets were worth 1.41 billion yen as measured on the market value. Posts and Telecommunications Minister Issei Inoue was third with 1.03 billion yen.

Finance Minister Masayoshi Takemura, who heads new party Sakigake [Harbinger], one of the three parties making up the coalition, ranked seventh with 379 million yen.

The least wealthy cabinet member was National Land Agency head Seiichi Ikehata of Murayama's Social Democratic Party, who had 210 million yen in assets held in the form of a condominium in Sapporo, northern Japan, and some 14 million yen in bank deposits.

Combined assets held by Murayama and his 20 cabinet members came to 13.91 billion yen in market value, of which 90 percent were held under the name of the cabinet members themselves, rather than their family members.

This translates into an average 660 million yen per cabinet member, down from the average 1 billion yen under the first Murayama cabinet.

Koizumi To 'Dispute' Tokyo's UNSC Seat Bid

OW0909114895 Tokyo KYODO in English
1139 GMT 9 Sep 95

[FBIS Transcribed Text] Ebetsu, Japan, Sept. 9 KYODO — Former Posts Minister Junichiro Koizumi said Saturday [9 September] he will dispute Japan's attempts to win permanent membership of the United Nations Security Council if he is allowed to run in the presidential race for the Liberal Democratic Party (LDP).

Addressing a gathering in Ebetsu on the main northern island of Hokkaido, Koizumi took issue with the positive attitude toward the matter of Trade Minister Ryutaro Hashimoto, the only declared candidate in the dominant ruling coalition partner's Sept. 22 presidential election.

"Our constitution bans the use of force abroad. There are arguments that this can be done under the flag of the United Nations but a constitutional amendment is necessary if interpretation (of a relevant clause) is to be expanded that far," he said.

"But many of the people don't think Article 9 of the Constitution should be changed," he said.

The article says Japan forever renounces "the threat or use of force as a means of settling international disputes."

"We should declare that Japan can do as much as the five nuclear powers in such fields as economic development, environmental protection and medical treatment," Koizumi said.

"We should declare our intention to join the Security Council as a permanent member only if the precondition

(that Japan cannot use force overseas) is accepted. We should not conceal what we cannot do," he said.

Running in the LDP presidential race requires any candidate to collect signatures from at least 30 party legislators but Koizumi has yet to reach that number.

North Korea

Commentary Views U.S.-Japan Military Alliance

SK1209115195 Pyongyang Korean Central
Broadcasting Network in Korean
1225 GMT 11 Sep 95

[NODONG SINMUN 11 September commentary:
"Anachronistic Wild Dream"]

[FBIS Translated Text] It was learned that the United States and Japan recently discussed reexamining the content of the U.S.-Japan Security Treaty.

The focus of the reexamination is that the treaty should enable the United States and Japan to cooperate with each other when coping with unstable situations in the world. In other words, by reinforcing the U.S.-Japan security system, they should be able to deal with new threats that may break out anywhere.

During talks held some time ago in Honolulu, the U.S. secretary of defense and the director general of Japan's Defense Agency stressed that the U.S.-Japan Security Treaty has great significance not only for the two nations, but also for the Asia-Pacific region.

It was also learned that top leaders from the United States and Japan will announce a joint statement in November to attach importance and significance to the U.S.-Japan Security Treaty.

As for the U.S.-Japan Security Treaty, it is a remnant of the Cold War era. When the East-West confrontation was acute, the United States and Japan concluded this treaty on the pretext of a communist threat and a southward threat by the Soviet Union. Thus, they intensified their military alliance.

Today, with the Cold War ended and the threat of the former Soviet Union eliminated, the U.S.-Japan Security Treaty has no need to exist, and the U.S.-Japan military alliance should naturally be dissolved. Nevertheless, the United States and Japan are trying to further strengthen the security system based on the security treaty because they have their own aims to pursue.

The United States is attempting to strengthen the U.S.-Japan security system in order to effectively use Japan to implement its long-term strategy toward Asia. By creating a free trade zone and a multinational security consultative organ in the Asia-Pacific region in the

21st century, the United States is trying to grasp the leadership in this area. This is precisely the strategic goal the United States pursues. To attain this goal, the United States should be able to take control of [turo chwioya handa] Japan, which is a major economic nation and a strong military power.

The means for the United States to take control of Japan are to bind Japan with the U.S.-Japan security system. In other words, by binding Japan and dragging it to the forefront by military means, the United States is trying to cope with challenges that may possibly occur in the Asia-Pacific region and to build a secure position as the ruler.

Today, Japan is actively accelerating into becoming a major military power. Japan, which harbors the will for revenge and schemes to grasp hegemonism in the Asia-Pacific region, may challenge the United States at any time by fostering its strength.

This being the case, the United States is trying to curb Japan from becoming a major military power by rebuilding the U.S.-Japan security system and keeping Japan under its control.

On the other hand, Japan is attempting to achieve its aim by rebuilding the Japan-U.S. security system. In other words, Japan is trying to strengthen its position and role within the scope of the Japan-U.S. Security Treaty and to hold the United States in check [kyonje handa] by pushing ahead with the collective security dialogue with Asian countries. This is directly linked to Japan's ambition to dominate Asia.

The Japanese rulers themselves said that Japan can enhance its position and role in the Asia-Pacific region only when the U.S.-Japan alliance is reinforced, based on the Japan-U.S. Security Treaty. The fact that the United States and Japan emphasized the significance of U.S.-Japan Security Treaty in one way or the other merely exposes their aims to realize their domination of Asia.

The main target of the intensified, collusive military alliance between the United States and Japan is none other than our Republic. This is shown in remarks made by U.S. and Japanese military authorities concerning our so-called threat, while babbling about rebuilding the U.S.-Japan security system.

It is no secret that the United States and Japan assume the DPRK is the first target of invasion in Asia. The U.S.-Japan joint military exercises have been strengthened, focusing their aggression on Korea. This is related to the recent U.S. call to establish at an early date a system to support the Japanese Armed Forces in an emergency on the Korean peninsula.

The United States and Japan are trying to realize their ambition for domination by means of force in collusion with each other. This is indeed an anachronistic wild dream.

Intensified military collusion between the United States and Japan through their security system will only arouse the Asian people's sense of vigilance against them.

U.S. Aircraft Allegedly Conduct Exercises

SK0909043695 Pyongyang KCNA in English
0420 GMT 9 Sep 95

["Military Exercise, Aerial Espionage Against DPRK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — Scores of carrier-based aircraft belonging to the U.S. Pacific Fleet, on September 7, flew to the air above Anmyon Islet and Asan Bay, South Korea, from its overseas base and intensively stroke targets simulating an area of the Democratic People's Republic of Korea, military sources said.

On the same day, an overseas-based RC-135 strategic reconnaissance plane made shuttle flights from the east coast to the west coast of Korea along the Military Demarcation Line [MDL] areas for hours for the purpose of electronic and photographing espionage on the strategic interior of the DPRK.

In the day eight reconnaissance planes of various types made one sortie after another to the air above the Military Demarcation Line areas and committed espionage on the DPRK's strategic and tactical spots day and night.

KPA Volleyball Team Beats U.S. Army's Team

SK1209052695 Pyongyang KCNA in English
0435 GMT 12 Sep 95

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — The women's volleyball team of the Korean People's Army beat the women's volleyball team of the Army of the United States by 3:0 (15:2, 15:1, 15:1) in the semi-final of the first Military World Games held in Rome, according to a report.

The U.S. women's team had been called a strong team among the army women's volleyball teams in the world.

The Korean team held the initiative from the beginning of the game and made scores with continued spikes.

In the second round they totally defeated the opposite team with hard blow in high spirits.

In the third round the U.S. team, upset by hard attack and enthusiasm of the Korean team, tried to recover

their defeat, but in vain in face of repeated hard attacks from the Korean team.

Red Cross, Crescent Flood Survey Teams Depart

SK1109152295 Pyongyang KCNA in English
1518 GMT 11 Sep 95

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The flood damage survey teams from the League of Red Cross and Red Crescent Societies and the Organization of Borderless Doctors left here today by air.

During their stay in the DPRK the teams visited flood-afflicted areas and had negotiations on cooperation with officials concerned.

Flood Damage Survey Teams Depart Pyongyang

SK1209001095 Pyongyang Korean Central
Broadcasting Network in Korean
1300 GMT 11 Sep 95

[FBIS Translated Text] The flood damage cooperative survey teams that were dispatched to the DPRK by the International Red Cross and Red Crescent Societies and the organization Doctors Without Borders left Pyongyang on 11 September by plane.

During their stay, the survey teams looked over the flood stricken areas and held negotiations with officials concerned on cooperation regarding the damaged areas.

Meeting Held With PRC, UNDP on Tumen Area

SK0909113395 Pyongyang KCNA in English
1008 GMT 9 Sep 95

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — A Sonbong meeting on border crossing and ports in the River Tumen area was sponsored by the United Nations Development Programme [UNDP] in the Najin-Sonbong free economic and trade zone in the Democratic People's Republic of Korea on September 8-9.

The meeting was attended by delegations from the UNDP, China, Russia and the DPRK.

It was stressed at the meeting that conditions for free and convenient travel should be provided in the lower reaches of the River Tumen through cooperation among the three neighbouring countries — Korea, China and Russia.

Those who spoke at the meeting said the three countries should provide conditions for convenient and quick immigration and emigration on their borders. This is of great importance in activating economic relations and activities in this area, they added.

Close cooperation and coordination among the three nations are one of the fundamental principles for development of this area and the key to all problems, they said.

Discussions were made on a wide range of matters including immigration and emigration, border crossing, passage of those with passports of a third country, local issue of visas, training of personnel for border crossing and transport of tourists by train or by bus.

The meeting was held on the principle of common prosperity and development.

The members of the delegations inspected the border crossing points of the three nations from September 5 to 7.

UNDP Official Interviewed on Tumen Development
SK0909114295 Pyongyang KCNA in English
1017 GMT 9 Sep 95

[FBIS Transcribed Text] Najin-Sonbong, September 9 (KCNA) — Michael Underdown, chief of the United Nations Development Program's [UNDP] project for the development of the River Tumen area, was interviewed today by KCNA in connection with the closure of the Sonbong meeting on border crossing and ports in the River Tumen area sponsored by the UNDP.

In response to answers [as received] raised by KCNA, Michael Underdown spoke of the significance of the meeting, the UNDP's plan for the development of the Najin-Sonbong free economic and trade area and some matters concerning the development of the area.

He said the meeting was aimed at smooth and convenient crossing of personnel and goods of three neighbouring countries.

"Its important significance is that the participants in the meeting discussed the customs formalities and other crucial matters concerning the development of the area and reached an agreement," he said. "This makes it possible to make an effective use of foreign investment."

He said:

"Border crossing is of weighty importance in improving the environment of investment.

"The participants in the meeting toured areas of three countries three days before the opening of the meeting to simplify formalities of immigration, emigration, customs and medical inspection.

"This gave an opportunity to the three countries to promote mutual understanding.

"We plan to do various kinds of things and hold an international seminar favorable to the Najin-Sonbong area.

"The UNIDO [United Nations Industrial Development Organization] also plans to have a seminar on investment in the Najin-Sonbong area, as part of the project for the development of the area.

"Many issues have been raised including a study of the possibility for the reconstruction and modernization of Ungsang Port's facilities for cargo and timber and other harbour facilities, the pavement of roads with asphalt by the Shell company, a Britain-Netherlands joint venture company, and an investment in the development of the area by a company of Finland.

"The UNDP will invigorate activities more favorable to the development of the Najin-Sonbong area."

Daily on 'Catastrophic Crisis' in South Economy
SK1209102895 Pyongyang KCNA in English
1013 GMT 12 Sep 95

["S. Korean Economy in Grip of Catastrophic Crisis" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — NODONG SINMUN today carries an article entitled "S. Korean Economy in Grip of Catastrophic Crisis" by Prof. and Dr. Son Chong-chol.

The paper says the catastrophic crisis of the South Korean economy is a lawful process of colonial dependent economy.

It goes from bad to worse after the traitor Kim Yong-sam brought forward a "globalisation program," a pipe-dream, the paper says, and continues:

The catastrophe of the South Korean economy finds a clear expression in its further colonial dependence on imperialist monopoly businesses.

Foreign capital that wormed its way into South Korea last year amounted to upwards of 20 billion dollars, or four times the figure of the previous year.

In particular, the foreign capital squandered on buying shares of South Korean enterprises at cheap prices was 15 billion dollars last year. It is soaring this year, too.

The Kim Yong-sam group is deepening the South Korean economy's dependence by increasing its scope of opening to the outside world. 98 percent of South Korean industries have already been open to foreign capital. And 90 percent of agriculture, forestry and fisheries have opened doors to foreign capital. As a consequence, in the first half of the year South Korea's deficit in trade with the U.S. increased more than ten times the same period last year.

And the import of farm produce from the United States increased sharply.

According to data available, the import of the U.S. farm produce showed a rise of 22 percent in the January-May period of the year above the corresponding period last year, the import of maize an increase of more than 230 percent. This has reduced the agriculture of South Korea to "loss-making one", registering a red figure of nearly 5 billion dollars in farm produce trade, imposing on every farmhouse heavy burden of debts amounting to 7 million won on an average and lowering the rate of self-sufficiency in food below 29 percent.

The more foreign monopoly capital increases its infiltration into and plunder of South Korea, the more South Korea's foreign debts snowball rapidly.

According to a report made by an "economic co-operation organisation", South Korea's foreign debts amounted to 67 billion dollars last year, or up 7,300 million dollars above the previous year. The figure increased again in the first six months of the year.

An increasing number of enterprises have gone bankrupt owing to serious financial difficulties. In the whole of last year some 9,000 minor enterprises shut down or suspended their operations. The number of the bankrupt minor enterprises that account for 98.4 percent of all the South Korean enterprises, 63.5 percent of employment and 44.6 percent of production in South Korea increased 23.3 percent in the first quarterly period of the year.

The bankruptcy of the South Korean economy also finds itself in the skyrocketing prices of commodities.

Prices of major daily necessities are skyrocketing in South Korea, while wages of working people are in stalemate or dropping.

While closing their eyes to the actual situation of the South Korean economy, the Kim Yong-sam group never let a chance pass by without talking about the "development" and "growth" of the economy.

The traitor Kim Yong-sam is a political gangster and a flunkeyist who has neither his own political viewpoint and philosophy nor an idea of the economy. As long as he stays in power, the South Korean economy cannot get rid of depression and catastrophic crisis.

South 'Suppressing' Followers of Chuche Idea

*SK1009101495 Pyongyang KCNA in English
0845 GMT 10 Sep 95*

["Korean Fascist Clique's Suppression of Chuche Idea Followers Condemned" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 10 (KCNA) — Papers here Saturday condemn the Kim Yong-sam fascist clique for suppressing the young people who are advocating the advanced idea. The

fascist clique arrested the servicemen of a puppet Army unit, who were active as members of "independent ranks," by invoking the "National Security Law" for the reason that they studied the reminiscences of the great leader President Kim Il-song *With the Century* and other books from the North.

NODONG SINMUN in a signed commentary says: For young people sensitive to the new and strong in progressive spirit to advocate and study the advanced idea is their inviolable sacred right. It is a very natural and righteous act that the young people seeking for the truth had avidly read the great leader's reminiscences which indicates the road of their life.

Nevertheless, the Kim Yong-sam group incriminated and arrested the young people who read progressive books. How vicious it is?

Kim Yong-sam never opens his mouth without saying "civilian politics" and "liberal democracy". But people are not allowed to read progressive books as they wish. This is "civilian politics" and "liberal democracy" on his lips.

The Kim Yong-sam group, upset by the people's minds turning toward the North, is desperately trying to block it. Out the suppression of idea is a symptom of the impending downfall of the political gangsters without political views and philosophy, those traitors doomed to ruin.

MINJU CHOSON in a signed commentary says the Kim Yong-sam group's incrimination and suppression of the just and righteous activities of youth and students is an anti-national, anti-ethical and anti-reunification fascist outrage.

Unconditional Release of Pak Yong-kil Demanded

*SK1009100495 Pyongyang KCNA in English
0840 GMT 10 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 10 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland in its information No. 693 on September 9 said that the South Korean ruling quarters arrested and are trying to prosecute Pak Yong-kil who went back to South Korea after visiting Pyongyang. Denouncing it as a barbarian act of trampling down noble humanitarian idea and the etiquette and morality of our nation, and another anti-ethical and anti-national criminal act of negating national reconciliation and unity and inciting inter-Korean confrontation, the information went on:

As for the revolutionary sites of which the puppet clique makes issue, all the monumental edifices built

in the DPRK are associated with the great on-the-spot guidance of the great leader President Kim Il-song and respected Comrade Kim Chong-il. The high-ranking politicians of South Korea came to Pyongyang for inter-Korean high-level talks, held talks and boarded and lodged in the places associated with such revolutionary history. But charging Pak Yong-kil with her visit to the places is no more than a preposterous act with no equity and reason.

The South Korean ruling quarters must admit the anti-ethical and anti-national crime of arresting and prosecuting Pak Yong-kil, release her unconditionally without delay and abolish the "National Security Law", an anti-reunification fascist law, at once.

The South Korean authorities must act with discretion, mindful that if they inflict penalties on her, it will result in irrevocable grave consequences in inter-Korean relations.

South Denounced for Prosecuting Pak Yong-kil

*SK0909081795 Pyongyang Korean Central
Broadcasting Network in Korean 1225 GMT 8 Sep 95*

[NODONG SINMUN 8 September commentary: "An Intolerable Anti-Humanitarian Act"]

[FBIS Translated Text] All compatriots are filled with burning national indignation over the South Korean ruling group's unjust act of arresting and prosecuting Presbyter Pak Yong-kil, widow of Rev. Mun Ik-hwan, chairperson of the 70 million-person Korean People's Meeting for Embracing National Unification and co-chairperson of the Family Movement for Realizing Democracy in South Korea, on charges of violating the National Security Law.

Pak Yong-kil visited the Kumsusan Memorial Palace and paid homage to the bier of the leader out of her noble sense of duty stemming from the close relationship between the fatherly leader and Rev. Mun Ik-hwan. Hers was indeed an equitable deed.

Despite repeated warnings, punishment, and denunciation by the people at home and abroad, however, the South Korean ruling group has finally arrested and prosecuted her by invoking the anticommunist and fascist law. This is an intolerable antinational and anti-reunification criminal act both in view of the traditional manners, customs, and etiquette of our nation and in view of the spirit of national reconciliation and unity.

When a death occurs in a neighboring house, one makes a condolence call in mourning clothes. This is part of noble traditional ethics and a custom of our country, which is known as a country of courteous people in the East.

However, far from expressing due condolences over the sudden misfortune faced by fellow countrymen as a dialogue partner, the fascist maniacs pointed their guns at fellow countrymen who were in grief and suppressed with arms South Korean people who shared the sorrow of their fellow countrymen. They arrested and prosecuted Pak Yong-kil, who courteously paid homage to the bier of the great leader, on charges of violating the National Security Law, to say nothing of their failing to apologize to the nation for their serious, unpardonable crime. This is an additional vicious act plus the crime they have already committed.

Prosecuting an old woman over 70 who suffers from heart disease, after detaining her for over a month under the pretext of so-called investigation, is a fascist outrage that could be perpetrated only by immoral villains who do not regard even basic ethics and morality or the human conscience.

It is ridiculous that the South Korean puppets, who are talking about dialogue and improving relations with us, arrested Pak Yong-kil, who had met with us, on charges of secretly entering and being extricated into North Korea in violation of the National Security Law.

Pak Yong-kil's visit to Pyongyang is a matter of ethics and morality, rather than a political and systematic matter, and it is completely different from previous cases involving South Korean figures who visited the North. The South Korean puppets' detainment and prosecution of Pak Yong-kil following harsh suppression of her is not a question that concerns the individual alone, but a serious question that directly concerns our Republic, as well as North-South relations.

Without considering her state of having a disease and being over 70 years old, the Kim Yong-sam ring suppressed, detained, and prosecuted Pak Yong-kil merely because she met with us. This is an intolerable provocation against us and is a clear expression of its position that it refuses reconciliation and dialogue with us and refuses to make efforts to improve relations with us or to reunify the country.

The Kim Yong-sam ring is now isolated and denounced by people at home and abroad because of its crimes committed before history and the nation. It is also faced with an irrevocable crisis of power following its dismal failure in local elections and a series of large accidents. The puppets are trying to block the South Korean people's admiration and worship of the great father and leader [yongdoja] of the nation by punishing Pak Yong-kil and straining North-South relations and to escape from the crisis of power by suppressing and crushing the reunification forces. However, this is an abortive fancy.

The mind of the people is the mind of heaven; traitors who run counter to it cannot avoid ruin. The South Korean rulers should repeal the prosecution of Pak Yong-kil, who is praised by all compatriots as the grandmother of reunification engaged in work to open a spring road to reunification in the nineties, and should immediately release her.

If the South Korean authorities punish her, despite our repeated warnings, they will bring grave consequences to North-South relations and will be held entirely responsible for it.

South Leaders Denounced for Punishing Woman

*SK0809122795 Pyongyang KCNA in English
1120 GMT 8 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — The South Korean ruling quarters have detained and prosecuted, by invoking the "National Security Law", Pak Yong-kil who visited the bier of the great leader President Kim Il-song to pay homage. This is another unpardonable crime against the nation and reunification, NODONG SINMUN and MINJU CHOSON charge in commentaries today.

The news analyst of NODONG SINMUN says:

Pak Yong-kil who is above 70 and is suffering from a heart disease, was taken into custody and persecuted for more than one month before they brought an action against her. This fascist deed could be done only by villains bereft of elementary ethics and human conscience.

What is disgusting is that the South Korean puppets calling for "dialogue" and "improvement of relations" with the North, charged her with "a crime of infiltration and escape under the National Security Law".

Without taking into consideration her age and health condition, the Kim Yong-sam group persecuted and prosecuted her for the mere reason that she met people in the North. This is an intolerable provocation against us. It is a clear expression of their negative position toward reconciliation, dialogue, improvement of relations with the North as well as reunification.

By punishing Pak Yong-kil and aggravating the North-South relations, the puppets are trying to check the South Korean people's reverence and worship for the great father and the leader of the nation, and stifle the pro-reunification patriotic forces and thus save themselves from a serious ruling crisis. But it is a foolish attempt.

The South Korean rulers must cancel the legal action against Pak Yong-kil who is praised by the entire fellow

countrymen as a "grandmother of reunification" paving the road of spring for reunification in the '90s, and release her at once.

MINJU CHOSON warns that if the fascist clique punish her by invoking the notorious "National Security Law" they will be entirely responsible for the consequences arising therefrom.

Kim Yong-sam Criticized on 'Pro-Japanese Song'

*SK1109054195 Pyongyang KCNA in English
0437 GMT 11 Sep 95*

[*"Thorough-Paced Pro-Japanese Flunkeyist" — KCNA headline*]

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The Kim Yong-sam group allowed a pro-Japanese song to be sung at the "August 15 celebration."

Commenting on it, NODONG SINMUN today says:

The song "Emotion-Charged Time", which the puppets allowed to be sung in the event allegedly aimed at "up-rooting the legacies left over by the Japanese imperialists," is a pro-Japanese song created in 1939 when the Japanese imperialists were hell bent on the war of aggression, dreamful of the "greater East Asia coprosperity sphere."

The rash act of the Kim Yong-sam group was not accidental. It was obviously a premeditated move motivated by a criminal intention to embellish the Japanese imperialists' aggression of Korea through the "August 15 celebration", placate the South Korean people's anti-Japanese sentiments and facilitate the military tieup with the Japanese reactionaries.

Kim Yong-sam is unhesitatingly making a clean sweep of the crimes the Japanese imperialists committed in the aggression of Korea, blaring that "it is not necessary to be deterred by the history in relations with Japan" and "it is important to establish future-oriented relations."

The traitor has acceded to the Japanese reactionaries' unreasonable demand for having the East Sea of Korea termed "Sea of Japan" and, worse still, respected as his teacher a Japanese who took the lead in introducing colonial slave education in Korea, active as assistant principal of the middle school where he attended in the period of the Japanese imperialist rule. A glut of corrupt Japanese movies, magazines and books are finding their way into South Korea to obliterate the culture native to the Korean nation and even mutual visits between fleets of the Japan's "Self-Defense Forces" and the South Korean puppet army have taken place.

The puppets' allowing the pro-Japanese song to be sung in the "August 15 celebration" is an offspring

and extension of such relationship with the Japanese reactionaries and part of the moves to make it possible for the Japanese militarists to stage a comeback to South Korea.

South, Japan Groups Conduct 'Smear' Campaign

*SK0809130195 Pyongyang KCNA in English
1136 GMT 8 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — A spokesman for the Central Committee of the Red Cross Society of the DPRK issued a statement today criticising the South Korean puppets and the right-wing reactionaries of Japan for conducting an anti-DPRK smear campaign over the flood damage in the DPRK.

The spokesman said:

As was reported, the South Korean puppets instigated the Japanese SANKEI SHIMBUN, a paid press medium, to carry false reports September 1 to the effect that the DPRK submitted an "exaggerated" report to the UN Department of Humanitarian Affairs on the flood damage and that the reported figures were incredible. On September 5, the puppet unification minister claimed that the figures of the flood damage were exaggerated.

This is a premeditated and deliberate smear campaign to hurl mud at the DPRK, aggravate antagonism and confrontation and bring the inter-Korean relations to a more serious phase.

The South Korean puppets have so far lacerated the painful hearts of fellow countrymen and resorted to a shameless smear campaign. When there was no flood damage, they said the North suffered heavy damage from flood. When flood damage was reported, they said the report was "exaggerated."

The "Agency for National Security Planning," a heinous anti-DPRK service, employed every mean and despicable method, reversing black and white to hurl abuses at the DPRK.

A fact-finding group of the United Nations visited the DPRK some time ago to render assistance to flood victims. The members of the group expressed deep sympathy after witnessing the heavy losses caused by unprecedented flood in the afflicted areas.

Without knowing the situation, the South Korean puppets imprudently poked their nose into this issue. This clearly shows that they are inhumane, anti-national elements.

When a disaster happens in any country or any region, other countries console and help the victim, irrespective

of ideology and social system. This is an international usage.

Far from sympathizing with fellow countrymen over their losses, the South Korean rulers hurl mud at them and stand in the way of assistance to the victims. Are there any villains more heinous?

It must not go unnoticed that SANKEI SHIMBUN which serves the South Korean puppets is launching a smear campaign against the DPRK over its flood damage and is tenaciously resorting to its hostile act against the DPRK over the rice issue, thus throwing a wet blanket over the relations between the DPRK and Japan which are developing favourably.

The Central Committee of the Red Cross Society of the DPRK vehemently denounces the smear campaign of the South Korean puppets and right-wing reactionaries of Japan including SANKEI SHIMBUN, a group of hack journalists, over the flood damage in the DPRK, branding it as an unpardonable criminal act intended to keep the hostile policy against our republic and worsen the relations between the North and the South of Korea and as an open challenge to humanitarianism.

The South Korean authorities must clearly know that if they persistently take the road of worsening the inter-Korean relations instead of apologizing for the anti-ethical, anti-national thrice-cursed crimes they committed last year by levelling guns at the fellow countrymen in great misfortune, they will pay dearly for this before the nation.

SANKEI SHIMBUN, a group of hack journalists and trick-plotters, will face destruction if it persists in its anti-DPRK hostile acts and serves the South Korean puppets as their loudspeaker in defiance of our warnings, turning a deaf ear to the demands of the times when the issue of improving the DPRK-Japan relation is put on the order of the day.

Availing ourselves of this opportunity, we express the conviction that Red Cross organisations of all countries and international organisations which value humanitarianism will lift up voices denouncing the smear campaign of the South Korean puppets and the Japanese reactionaries.

Paper Urges Punishing Kwangju Incident 'Killers'

*SK0809150995 Pyongyang KCNA in English
1503 GMT 8 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — The South Korean newspaper KWANGJU ILBO in an editorial headlined "May 18 Special Law Urged" called for punishing the killers of the May 18, 1980 Kwangju uprisers.

The editorial said that the one million signature campaign has been actively joined by more than 1,400 Roman Catholic churches, Christian and Buddhist and other religious organisations across South Korea including 80 cathedrals in Kwangju and South Cholla Province. And over 4,100 professors of 84 universities and colleges signed the paper since late July, it noted.

The editorial stated that the professors' behaviour is the largest collective action since professors marched streets shouting "compensate for the blood of students" during the April 19 resistance.

The Kwangju and South Cholla Provincial Joint Measure Committee decided to hold the "third people's rally for punishing the May 18 killers and instituting a special law", it noted, asking what the "government" is doing at a time when even the religious and academic circles are demanding the punishment of those related to the May 18 massacre.

It urged the present "regime" to liquidate those responsible for the May 18 massacre before all the people's protest grows stronger and their resentment explodes.

South Article on Kwangju Uprising Cited
SK0909045795 Pyongyang KCNA in English
0443 GMT 9 Sep 95

["Present S. Korean 'Regime' Must Not Defend Killers of Kwangju People" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — The South Korean newspaper KWANGJU ILBO in an editorial headlined "May 18 Special Law Urged" called for punishing the killers of the May 18, 1980 Kwangju uprisers.

The editorial said that the one million signature campaign has been actively joined by more than 1,400 Roman Catholic Churches, Christian and Buddhist and other religious organisations across South Korea including 80 cathedrals in Kwangju and South Cholla Province. And over 4,100 professors of 84 universities and colleges signed the paper since late July, it noted.

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The Kwangju and South Cholla provincial joint measure committee decided to hold the "third people's rally for punishing the May 18 killers and instituting a special law", it noted, asking what the "government" is doing at a time when even the religious and academic circles are demanding the punishment of those related to the May 18 massacre.

It urged the present "regime" to liquidate those responsible for the May 18 massacre before all the people's protest grows stronger and their resentment explodes.

People in South Urge Punishment in Kwangju Case
SK1209103395 Pyongyang KCNA in English
1019 GMT 12 Sep 95

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — More than 300,000 people of South Korea, as of August 28, put their signatures to the paper demanding the enactment of a special law for punishing the killers of Kwangju people, according to a media report.

The Kwangju-South Cholla Provincial Joint Measure Committee for Bringing To Trial the Chief Culprits of the May 18 Bloodbath, which launched the signature campaign, plans to expand ongoing campaign as an all-people movement. It is actively collecting signatures in all parts of Kwangju and in many social organizations.

Students of Chonnam National, Choson and other universities in Kwangju have joined in the campaign.

South Professors Urge Reopening of Kwangju Case
SK0909150395 Pyongyang KCNA in English
1458 GMT 9 Sep 95

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — One hundred and thirteen professors of Yonsei University released a statement on September 6, strongly demanding that a special law be enacted for a reinvestigation of the chief murderers of Kwangju people, according to a radio report from Seoul.

The statement said the decision not to prosecute them is indicative of the Kim Yong-sam regime's intention to defend Chon Tu-hwan and No Tae-u, contending that "nobody can be held responsible for a successful coup." It strongly urged the enactment of a special law for punishing those involved in the May 18 bloodbath.

Hanchongnyon Delegates Visit Friendship Exhibition

SK1109045195 Pyongyang KCNA in English
0408 GMT 11 Sep 95

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — Chong Min-chu and Yi Hye-chong, delegates of the South Korean Federation of General Student Councils (Hanchongnyon) under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), visited the international friendship exhibition in scenic Mt. Myohyang of Korea.

They were accompanied by Choe Chong-nam, director of the joint secretariat of Pomchonghangnyon.

They went round gifts rooms with keen interest, being briefed about the exhibition which has more than 100,000 pieces of gifts to the respected leader President Kim Il-song and the great leader Comrade Kim Chong-il from heads of party, state and government and progressive peoples of over 170 countries of the world in high appreciation of their undying exploits performed for the times and humankind.

At the end of the visit, Chong Min-chu wrote in the visitor's book:

What deeply impresses me is a kind measure which was taken to preserve the precious and beautiful gifts in the exhibition so that all the people could have a pleasant time, seeing them.

When the country is reunified, I will come back here to see the gifts.

Yi Hye-chong wrote:

Somebody told me that if you come here you can make a tour of the world without passports. Seeing the precious treasures from many countries in the exhibition, I thought it makes me feel as if it were really. I marvelled at them.

I will make a "world trip" along with one million fellow students of Hanchongnyon when the country is reunified.

The delegates of Hanchongnyon inspected historical relics in Mt. Myohyang.

They had a pleasant time, making round of Mt. Myohyang.

They also visited the Hyangsan Senior Middle School.

Paper Praising Kim Chong-il 'Found' in South

1209103195 *Pyongyang KCNA in English*
1017 GMT 12 Sep 95

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — A literature highly praising the great leader Comrade Kim Chong-il was found on the front wall of barracks of the First Battalion, 65th Regiment, 21st Division, Third Corps, the South Korean puppet army, on August 25 to draw attention of soldiers, Seoul-based radio Voice of National Salvation said.

The literature, 35 centimetres long and 25 centimetres wide, which was signed by the February 16 Youth Committee, read:

"ROK soldier brothers

"We can no longer remain colonial mercenaries serving the United States.

"Let us pave the way of shaping our destiny, singing to the tune of the Song of General Kim Chong-il which is ringing from the sky above the North

"Let us pledge loyalty to General Kim Chong-il, a peerless great man, and take the road of patriotism

"Let us follow him, the savior of the destiny of the 70 million fellow countrymen, believing in him as in heaven

"Let us live a worthwhile life as followers of General Kim Chong-il, the son of Mt. Paektu, who has distinguished intelligence and grit which send a tremor through the White House and Chongwadae [presidential offices]

"Let us turn the guns to Yankees and Chongwadae from the fellow countrymen in the North, at the behest of General Kim Chong-il, a rare hero

"Let us hold General Kim Chong-il, the sun of the nation, in high esteem as the president of a reunified state

"Long live General Kim Chong-il, the destiny of the nation, the lodestar of national reunification and the outstanding leader of the 21st century "

Group Congratulates Kim Chong-il on Anniversary SK0909042695 *Pyongyang KCNA in English* 0414 GMT 9 Sep 95

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — The great leader Comrade Kim Chong-il received a congratulatory message from the Central Committee of the National Democratic Front of South Korea (NDFSK) on the 47th anniversary of the DPRK.

The message dated September 9 says:

"We vanguard fighters of the NDFSK extend highest tribute to the great leader Comrade Kim Il-song, who is the founding father and builder of socialist Korea and who laid the foundation for establishment of a unified confederal state.

"Under your tested leadership, Comrade Kim Chong-il, the great leader, the Democratic People's Republic of Korea — the homeland of chuche — has built an immortal tower of success on the highest peak of the age of independence, demonstrating its invincible might despite manifold difficulties and the fast-changing situation.

"The North of Korea is an invincible socialist country and an earthly paradise where the leader, the party and

the masses are firmly united with a single heart, political peace and stability prevail throughout society and all the people live a self-reliant life full of confidence and optimism, enjoy a cultured way of life according to their wish and need and bring their wisdom and talent into full play. This is a shining fruition of your tested leadership and man-centred politics.

"You represent our benevolent motherland in that you defend and exalt the independent life of the people. You are the bright sun of socialism in that all people worship, praise and follow you.

"The South Korean people firmly believe that it is only you, respected General Kim Chong-il, who can terminate the division of the nation and create a new history of a unified prosperous country in the 1990s. No suppression and anti-communist campaign can break or change their belief.

"We are confident in victory and glory because we are led by you. We will hold higher the banner of the chuche idea, concentrate all efforts on awakening and organising the popular masses, build up a strong internal force of the revolution, develop the mass movement and win the historic victory — independence, democracy and reunification."

The message sincerely wishes Comrade Kim Chong-il good health and a long life.

Hanchongnyon Delegates Visit Mansu Hill

SK1009092195 Pyongyang KCNA in English
0817 GMT 10 Sep 95

[FBIS Transcribed Text] Pyongyang, September 10 (KCNA) — Chong Min-chu and Yi Hye-chong, delegates of the South Korean Federation of General Student Councils (Hanchongnyon) under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), visited the statue of the great leader President Kim Il-song on Mansu Hill and laid a floral basket and paid homage to him.

They were accompanied by Choe Chong-nam, director of the joint secretariat of Pomchonghangnyon.

Written on the ribbons hanging from the floral basket were letters "In Memory of President Kim Il-song, September 8, 1995" and "For National Reconciliation and Great Unity. South Korean Federation of General Student Councils".

Korean Group in Japan Urges Presbyterian's Release

SK1109150295 Pyongyang KCNA in English
1459 GMT 11 Sep 95

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The Federation of South Koreans in Japan for Democracy and Unification in a statement September 7 urged the South Korean authorities to promptly release Pak Yong-kil and repeal the fascist "National Security Law" at once, according to a report.

The northern trip made by Presbyterian Pak Yong-kil to express condolences is a praiseworthy one because it accords with the national etiquette, the statement said, and continued:

The "civilian government" of South Korea detained her on charges of her visit to Pyongyang and is now showing no concern about her serious health condition. This reveals its anti-national, inhuman nature.

If it repeats the indelible crimes to stifle the conscience of the nation, it will certainly face self-destruction.

We repeatedly demand the unconditional and prompt release of presbyter Pak Yong-kil. And we strongly urge the immediate release of all the patriotic figures and the immediate scrapping of the "National Security Law."

Yi Chong-ok Meets CPPCC Group at Mansudae

SK1109212195 Pyongyang KCNA in English
1517 GMT 11 Sep 95

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — Vice-President Yi Chong-ok met and had a friendly talk with the visiting delegation of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] led by its Vice-President Wan Guoquan, at the Mansudae Assembly Hall today.

The head of the delegation said on the occasion that the Korean people have turned their country into a powerful socialist country under the wise guidance of the great leader comrade President Kim Il-song.

"His death in July last year is a great loss to the Korean people," Wan said, adding: "China has lost the most intimate friend of hers."

"We are rejoiced," he said, "over the fact that the Korean people, under the leadership of the Workers' Party of Korea headed by Comrade Kim Chong-il, are making enormous achievements in the building of socialism and the efforts for national reunification, true to the behests of the great leader comrade President Kim Il-song."

He stressed that the Sino-Korean friendship is an unbreakable friendship which has overcome trials of history.

PRC, Russian Delegations Arrive in Pyongyang

*SK0809214395 Pyongyang KCNA in English
1520 GMT 8 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — A delegation of QIUSHI, a political and theoretical organ of the Central Committee of the Communist Party of China, led by its Deputy General Editor Ma Yingbai and Dmitriy Kostenko, chairman of the Moscow, Russia, Youth Association for the Study of the Chuche Idea, arrived here today.

CPPCC Official Conveys Gift to Kim Chong-il

*SK1209053995 Pyongyang KCNA in English
0450 GMT 12 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — The great leader Comrade Kim Chong-il received a gift from the visiting delegation of the national committee of the Chinese People's Political Consultative Conference [CPPCC] led by its Vice-Chairman Wan Guoquan. It was handed to an official concerned by the head of the delegation.

Chinese Company Leases Land in Najin-Sonbong

*SK1109151195 Pyongyang KCNA in English
1507 GMT 11 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The Yanbian Longxing Group Company of China established an exclusive business in the Najin-Sonbong Free Economic and Trade Zone of the Democratic People's Republic of Korea, which is called a "golden triangle".

The zone authority offered to the company more than 5,500 square metres of land in Yokjon-tong in front of Najin Railway Station, which is very favourable to conditions of location and administration, for convenience in business activities.

The company plans to construct a ten-storied building with a floor space of more than 7,160 square metres within two years to operate taxi service, restaurants and shops and rent out the building as offices and houses.

It leased the land from the zone authority for 50 years.

CPC Friendship Visiting Group Returns Home

*SK0909050995 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 6 Sep 95*

[FBIS Translated Text] The CPC friendship visiting group led by Sang Jiejia, alternate member of the CPC

Central Committee and deputy secretary of the Qinghai Provincial Party Committee, returned home by plane on 6 September.

Chi Chae-ryong, deputy director of a department of the Workers Party of Korea Central Committee, and a councillor of the PRC Embassy in the DPRK, bade the visiting group farewell at the airport.

Kim Chong-il Sends Educational Aid to Koreans

*SK0809215595 Pyongyang KCNA in English
1527 GMT 8 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — The great leader Comrade Kim Chong-il sent the Educational Aid Fund and Stipends amounting to 97,750,000 yen in Japanese currency for the Democratic National Education of the General Association of Korean Residents in Japan on the threshold of the 47th birthday of the Democratic People's Republic of Korea.

The Educational Aid Fund and Stipends sent by the respected leader President Kim Il-song and the great leader Comrade Kim Chong-il for Korean children in Japan on the 132 installments total 42,494,432,433 yen.

Chongnyon Sends Congratulations to Kim Chong-il

*SK0909042295 Pyongyang KCNA in English
0408 GMT 9 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — The great leader Marshal Kim Chong-il received a congratulatory message from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on the 47th anniversary of the DPRK.

The message dated September 9 says:

"Every corner of the DPRK is associated with deep loving care and immortal exploits of the fatherly leader Generalissimo Kim Il-song, who devoted his noble life to the people. Under your outstanding and benevolent leadership, respected Marshal Kim Chong-il, the DPRK is world-famous as a strong and prosperous country of chuche which represents the modern time and the distant future of humankind as well.

"Thanks to your tireless and energetic activities, respected General Kim Chong-il, the chuche socialist motherland centred on the masses is standing as a stronghold of socialism unaffected by any historical turmoil and as a bright beacon of the age of independence. It is also indicating the true path of human liberation. Indeed, you represent the destiny of the country and the nation and are a symbol of all victories.

"With you as the supreme leader of the country and the nation, our motherland is holding Generalissimo Kim Il-song, the founding father of Korea, in high esteem as ever, making a long drive along the road of *chuche* and shedding bright rays all over the world as glorious Kim Il-song's Korea.

"Thanks to the immortal revolutionary exploits performed by the great leader Generalissimo Kim Il-song all his life and your wise leadership, the Korean residents in Japan could be freed from the plight of a ruined nation and lead a proud and worthwhile life with inviolable national dignity as overseas citizens of the DPRK.

"We will build up Chongnyon as a *chuche* organisation of united overseas Koreans intensely loyal to you and strengthen it into a powerful mass patriotic organisation which firmly unites all Koreans in Japan including the younger generation, true to the noble intentions of the fatherly leader."

The message sincerely wishes Comrade Kim Chong-il good health and a long life.

Koreans in Japan Celebrate

SK1009091095 *Pyongyang KCNA in English*
0813 GMT 10 Sep 95

[FBIS Transcribed Text] Tokyo, September 8 [date as received] (KNS-KCNA) — Korean residents in Japan met in Tokyo on September 8 to celebrate the 47th anniversary of the foundation of the Democratic People's Republic of Korea.

Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan [Chongnyon], said words of greetings at the meeting which was followed by a speech of Chief Vice-Chairman Ho Chong-man.

Ho Chong-man said in his speech that the great leader Generalissimo Kim Il-song, regarding "Believing in the people as in heaven" as maxim, had made all tireless efforts for the country and people until the last moment of his life since he embarked on the road of Korea's liberation. As a result, he said, *chuche* Korea that values people most and regards the independence of the country and nation as its life and soul was born and a powerful socialist state of *chuche*, independent, self-sufficient and self-reliant in national defence built.

He said:

Our country led by the great leader Marshal Kim Chong-il who thoroughly personifies the idea, leadership and virtues of Generalissimo Kim Il-song is a country of single-hearted unity, unprecedented in history, where the leader, party and people form an integral whole and

all people are members of a big family full of love and trust. Our republic is, indeed, the genuine motherland of the entire Korean nation.

Chongnyon has its organizations at all levels wherever Koreans in Japan live and is conducting the patriotic movement generation after generation for 40 years. This is entirely thanks to the glorious motherland which Generalissimo Kim Il-song built and General Kim Chong-il has strengthened and developed.

The speaker elaborated on the tasks to strengthen and develop Chongnyon into patriotic ranks of single-hearted unity loyal to the idea and leadership of the respected general, glorifying the leadership exploits of Generalissimo Kim Il-song for all ages and an overseas organization of the republic around which all Koreans in Japan are closely rallied under the banner of patriotism.

A congratulatory message to respected General Kim Chong-il was adopted at the meeting.

Yi Chong-ok Talks With Chongnyon Group

SK1109151795 *Pyongyang KCNA in English*
1514 GMT 11 Sep 95

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — Vice-President Yi Chong-ok today met and had a talk in a compatriotic atmosphere with the congratulatory group of Korean residents in Japan led by O Hyong-chin, vice-chairman of the Central Standing Committee of the General Association of Korean residents in Japan (Chongnyon), at the Mansudae Assembly Hall.

The group came to the socialist homeland to celebrate the 47th anniversary of the Democratic People's Republic of Korea.

Japanese Union Paper Reports on Republic

SK1109151695 *Pyongyang KCNA in English*
1512 GMT 11 Sep 95

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — A recent issue of "KOWAN RODO," the organ of the All-Japan Harbour Workers' Union, carried accounts of travel of the Democratic People's Republic of Korea under the title "Korea Seen By Us." Its delegation visited Korea in June last.

Akinobu Ito, deputy secretary general of the union, in his travelogue entitled "Year of Change, 50 Years After the War, Korea's Reunification and Peace Desired" said:

"Through the visit to the DPRK I came to have a good knowledge of the miserable life of the Korean people under the colonial rule of Japan. I think it a shame not

to impart such history of the past to new generations in Japan.

"I came to know well that President Kim Il-song led the anti-Japanese armed struggle to liberate Korea and that he defeated the U.S. imperialists and pushed ahead with the building of Korean-style socialism successfully.

"I could witness the DPRK dynamically advancing under the wise guidance of His Excellency Kim Chong-il after his passing away."

Yoshinobu Sakamoto, vice-chairman of the Tohoku headquarters of the union, in an article captioned "Seeing Policy of Assimilating Entire Members of Society to Intelligentsia" said:

"The universal 11-year compulsory education is now in force at the state expense in the DPRK and university students engage themselves in study and researches, receiving scholarship from the state."

Yukio Oonishi, executive member of the Hokkaido headquarters of the union, in an article headlined "Socialism of Korean Style" said:

"I realized well that the DPRK is making a smooth progress under the banner of the *chuche* idea fathered by respected President Kim Il-song though socialism is suffering setbacks in a number of countries around the 50th anniversary of the cease-fire."

Korean Traders in Japan Write to Kim Chong-il

SK1209050795 Pyongyang KCNA in English
0425 GMT 12 Sep 95

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — The great leader Marshal Kim Chong-il received a letter from the participants in an inaugural meeting of the Association of Young Korean Traders and Industrialists in Japan.

The letter dated Sept. 6 says that respected General Kim Chong-il showed deep trust and warm benevolence to young Korean traders and industrialists who were born in an alien land, so that they might proudly contribute to the national patriotic movement as makers of a new history of *chuche* and masters of Chongnyon and the movement of Koreans in Japan, with true love for the nation and the homeland.

The letter stresses that they, who declared the formation of the association of young Korean traders and industrialists in Japan, their genuine patriotic organization, firmly vowed to hold the fatherly leader Generalissimo Kim Il-song in high esteem for all ages, to uphold respected Marshal Kim Chong-il as the great leader of our nation and to develop the movement of Koreans in

Japan onto a new higher stage by following the model and loyalty of the first patriotic generation.

The letter says that they will firmly build up their organization and rally traders and industrialists of the new generation under the banner of patriotism so that they may live as fully-fledged overseas citizens of *chuche* Korea by inheriting the generation of the nation, the generation of patriotism in the spirit of Korea and the spirit of the nation, in the spirit that they are always with our country, our motherland.

The letter sincerely wishes Marshal Kim Chong-il a long life in good health.

Chongnyon Thanks Kim Chong-il for Educational Aid

SK1109052495 Pyongyang KCNA in English
0424 GMT 11 Sep 95

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The great leader Marshal Kim Chong-il received a message of thanks from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) for the remittance of educational aid fund and stipends of 97.75 million yen in Japanese currency for the democratic national education of Chongnyon on the occasion of the 47th anniversary of the foundation of the Democratic People's Republic of Korea.

The educational aid fund and stipends sent by the great leader Generalissimo Kim Il-song and respected Marshal Kim Chong-il in 132 installments for the national education of the children of Koreans in Japan total 42,494,432,433 yen.

The message said that Chongnyon has been able to bring up the rising generation to be dependable successors to the patriotic cause through the successful application of the *chuche*-based idea on education thanks to the wise leadership and kindred love of marshal Kim Chong-il.

We will build up Chongnyon into a patriotic organization boundlessly loyal to you respected general, bearing deep in mind the unshakable faith that we are sure to win because we are under your leadership, the message stressed.

Vice Premier Meets Lao Delegation

SK0809152895 Pyongyang KCNA in English
1519 GMT 8 Sep 95

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — Kim Yong-nam, vice-premier and foreign minister of the DPRK, today met and had a friendly talk with the delegation of the Laotian Foreign Ministry led by Vice-Minister of Foreign Affairs Soubanh Srithirat.

Delegation Returns Home

*SK1109142795 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 9 Sep 95*

[FBIS Translated Text] A delegation of the Lao Foreign Ministry, led by Vice Minister (Suvan Saripilas), returned home on 9 September by air. The delegation was seen off at the airport by Vice Foreign Minister Choe Su-hon.

Cambodian King Hosts Banquet Marking Anniversary

*SK1109051395 Pyongyang KCNA in English
0414 GMT 11 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — Cambodian King His Majesty Norodom Sihanouk in his speech at a banquet he arranged on the 47th anniversary of the foundation of the Democratic People's Republic of Korea on September 8 declared that he always absolutely and deeply respected and trusted respected Generalissimo Kim Il-song and His Excellency Marshal Kim Chong-il, the great leader of Korea.

"We will extend our invariable support to the Korean people 100 percent, firmly standing on the side of the Korean people", he added.

He said with admiration that the Democratic People's Republic of Korea has made tremendous achievements under the wise leadership of His Excellency Respected Generalissimo Kim Il-song and His Excellency Marshal Kim Chong-il, the greatest leaders.

"I have always expressed sincere respect and praise for His Excellency Marshal Kim Chong-il, the successor to the cause of *chuche* who is thoroughly carrying forward the political line of His Excellency Respected Generalissimo Kim Il-song, the most intimate great friend of mine," the Cambodian king said, adding:

"We will never forget the favour of His Excellency Generalissimo Kim Il-song and His Excellency Marshal Kim Chong-il, the great leaders who have rendered every possible assistance and shown solicitude to me and Cambodia."

"His Excellency Generalissimo Kim Il-song, the great leader, was not only my real brother but also my teacher," the Cambodian king declared.

University Awards Professorship to Kim Il-song

*SK1109101195 Pyongyang KCNA in English
1007 GMT 11 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — A title of honorary professor of the Daniel

Alcides Carrion National University in Cerro de Pasco, Peru, was awarded to the great leader President Kim Il-song on the occasion of the 50th anniversary of the Workers' Party of Korea (October 10).

A ceremony was held at the DPRK Embassy in Lima on Sept. 7 to convey a diploma of honorary professor and a medal of the university.

The August 17 decision of the Council of the University on awarding the title to President Kim Il-song was read out there.

The decision noted that President Kim Il-song authored many works on philosophy, politics, the economy, history and other aspects and thus made a great contribution to creating intellectual wealth of humankind.

"The Council of the University has decided to award the title of honorary professor to President Kim Il-song in high appreciation of the precious and distinguished feats he made to contribute to the development of human science and technology," it said.

President of the university Luis Guzman Cabrera said in his speech, "It is a happiness and pride of ours to have awarded the title of honorary professor of our university to President Kim Il-song on the occasion of the 50th anniversary of the Workers' Party of Korea founded and led by him."

"President Kim Il-song will be alive forever in the heart of humankind for his brilliant achievements for it," he added.

More on Professorship

*SK1109102295 Pyongyang KCNA in English
1017 GMT 11 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The great leader Comrade Kim Chong-il received a title of honorary professor of the Daniel Alcides Carrion National University in Cerro de Pasco, Peru, on the occasion of the 50th anniversary of the Workers' Party of Korea.

A ceremony was held at the DPRK Embassy in Lima on Sept. 7 to convey a diploma of honorary professor and a university medal awarded to Comrade Kim Chong-il.

The August 17 decision of the Council of the University on awarding the title was read out there.

The decision noted that Korea, under the leadership of His Excellency Kim Chong-il, the supreme leader of the Democratic People's Republic of Korea, has made great achievements in the development of the economy, culture, science and technology, improvement of the people's wellbeing, the cause of national reunification

and the development of cooperative relations with peoples in Latin America.

"The Council of the University has decided to award the title of honorary professor to his excellency the Great Leader Kim Chong-il in high appreciation of his precious and distinguished feats for the development of human science and technology," it said.

President of the university Luis Guzman Cabrera said in his speech that the ideological and theoretical exploits and practical experiences of His Excellency Kim Chong-il are an enormous wealth of humankind.

The Korean people, under his tested leadership, will surely emerge victorious in the building of Korean-style socialism and the cause of national reunification, he added.

Peruvians, Egyptian Envoy Visit Mansu Hill

SK1209052295 Pyongyang KCNA in English
0432 GMT 12 Sep 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — A delegation of the National Association of Women Mayors of Peru headed by its Vice-Chairperson America Armas Garcia laid bunches of flowers and made a bow before the statue of the great leader President Kim Il-song on Mansu Hill on September 10.

The head of the delegation said that they knew well from long ago the undying revolutionary exploits performed by the great leader President Kim Il-song, an elder of the world revolution, adding:

His death is a great loss not only to the Korean people but also to the Peruvian people.

The delegation arrived in Pyongyang on September 10.

On September 11, newly appointed Egyptian Ambassador to Korea Hazem Mohamed Taher laid a floral basket and made a bow before the statue of the great leader.

CIS, Russian, Malaysian Groups Visit

SK1009091995 Pyongyang KCNA in English
0814 GMT 10 Sep 95

[Spellings of Russian names as received]

[FBIS Transcribed Text] Pyongyang, September 10 (KCNA) — A delegation of General Confederation of Trade Unions of the Commonwealth of Independent States [CIS] led by its Vice-President Natalia D. Podshibiakina, a delegation of the Independent Trade Unions of Russia led by its Secretary Tatiana L. Frol-

ova and a friendship visiting group of Malaysia led by member of parliament Chan Kong Choy, deputy minister of the Energy, Telecommunications and Posts [Ministry], arrived here on September 9 by air.

Russian Delegation Pays Homage to Kim Il-song

SK1009084695 Pyongyang KCNA in English
0803 GMT 10 Sep 95

[FBIS Transcribed Text] Pyongyang, September 10 (KCNA) — A delegation of the academicians of the Komsomolsk-na Amure Normal College of Russia and Dumitri Kostenko, chairman of the Youth Society for the Study of the Chuche Idea in Moscow, Russia, on Saturday laid floral baskets and made bows before the statue of the great leader President Kim Il-song on Mansu Hill on the 47th anniversary of the DPRK.

Many foreign delegations, tourist groups and individual figures on a visit to Korea also laid floral baskets and bouquets of flowers and made bows before the statue of President Kim Il-song.

Kang Song-san, Kim Yong-nam Greet Macedonians

SK0909212595 Pyongyang KCNA in English
1500 GMT 9 Sep 95

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — Premier of the Administration Council Kang Song-san sent a message to the prime minister of Macedonia, Branko Crvenkovski, congratulating him on the independence day of the Republic of Macedonia.

The message expressed the belief that the bilateral relations between the two countries will develop favourably and wished him success in his work for the country's prosperity.

Meanwhile, Foreign Minister Kim Yong-nam sent a message to his Macedonian counterpart Stevo Crvenkovski on the same occasion.

Hwang Chang-yop Meets Mauritius, Other Groups

SK1209101395 Pyongyang KCNA in English
1001 GMT 12 Sep 95

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — Secretary of the Workers' Party of Korea Central Committee Hwang Chang-yop on Monday [11 September] met and conversed in a friendly atmosphere with a delegation of the Mauritius Communist Party led by its First Vice-Chairman Boodhun Rudul Kumar [spelling of name as received].

The head of the delegation said the socialist system established in Korea is very solid, because it is developing

with the *chuche* idea, created by the great leader Comrade Kim Il-song, as a guideline.

"Korea's reunification should be realized by means of confederacy on the basis of the three principles of independence, peaceful reunification and great national unity," he said, adding, "The Mauritius Communist Party fully supports it." On the same day, the secretary met and had a friendly talk with a delegation of the Nepalese Journalist Association led by its Chairman Harihar Birahi.

Elaborating on the validity of the *chuche* idea created by the great President Kim Il-song, the chairman said, "The idea on maintaining a creative stand in the revolution and construction is a most scientific theory."

"Because the Korean people are led by the great Comrade Kim Chong-il in high esteem, the revolution and construction are going on successfully," he stressed.

Kim Chong-il Receives Gift From Mauritian

SK1209103795 Pyongyang KCNA in English
1020 GMT 12 Sep 95

[Spelling of names as received]

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — The great leader Comrade Kim Chong-il received a gift from Leetooraj Chandramun, chairman of the Mauritius Communist Party.

It was handed to an official concerned by Boodhun Rudul Kumar, first vice-chairman of the Mauritius Communist Party, on a visit to Korea.

Mauritian Delegation Visits Kumsusan Palace

SK1009085995 Pyongyang KCNA in English
0801 GMT 10 Sep 95

[FBIS Transcribed Text] Pyongyang, September 10 (KCNA) — Delegation of the Mauritius Communist Party led by its First Vice-Chairman Budhun Rudul Kumar visited Kumsusan Memorial Palace on September 9 to pay homage to the great leader Comrade Kim Il-song.

The head of the delegation wrote in the visitor's book that the great leader Comrade Kim Il-song founded the *chuche* idea, wisely led the Korean people, repulsed the aggression of the imperialists and built strong Korea on the land which had been reduced to ashes.

The support of the respected leader Comrade Kim Il-song to the just cause of the African countries and oppressed peoples always gave powerful encouragement to them, he wrote, adding he will always be alive in the hearts not only of the Korean people but of peoples in the world.

WPK Delegation Returns From African Visit

SK1009003795 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 7 Sep 95

[FBIS Translated Text] The Workers Party of Korea [WPK] delegation led by (Choe Chun-suk), deputy director of a department of the WPK Central Committee, returned home by train on 7 September after visiting western African countries. Yim Sun-pil, deputy director of a department of the WPK Central Committee, welcomed the delegation at Pyongyang Station.

Delegation Departs for South Center Meeting

SK1109212295 Pyongyang KCNA in English
1520 GMT 11 Sep 95

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — A delegation of the Democratic People's Republic of Korea led by Choe Pong-su, vice-chairman of the State External Economic Affairs Commission, left here today to participate in the first meeting of the Council of Representatives of the South Centre to be held in Switzerland.

Kim Chong-il Sends Gifts to Flood Sufferers

SK0909041595 Pyongyang KCNA in English
0402 GMT 9 Sep 95

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — The great leader Comrade Kim Chong-il sent gifts to flood sufferers in North Hwanghae Province.

When Unpa and Insan Counties and some other counties in North Hwanghae Province were hit by flood due to unprecedented rainstorms recently, Comrade Kim Chong-il immediately mobilised helicopters and amphibian tanks to take the inhabitants to safe places and took measures to stabilize their life. This time he sent gifts to them. This is another great favor for them.

Meetings for conveying the gifts were held in the counties.

Speakers at the meetings said that in the course of healing the flood damage, they deeply felt there would be no misfortunes, as long as they are guided by the great General Kim Chong-il.

Kim Chong-il Sends Gifts to Flood Victims

SK0909053695 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 8 Sep 95

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, has sent gifts to flood victims in North Hwanghae Province.

When some areas in North Hwanghae Province, including Unpa and Insan Counties, were recently stricken by unprecedented torrential rainfalls, respected and beloved Comrade Kim Chong-il had helicopters and amphibian vehicles move out immediately to take people to safe areas and guaranteed them a stable livelihood. The sending of his gifts to the people in the flooded areas is another expression of his great benevolence toward them.

Hearing this touching news at a time when they are vigorously carrying out struggles to restore the flood damage with the help of the people throughout the country after being safely saved from danger thanks to the respected and beloved general's warm solicitude, the people in these areas are filled with boundless admiration of and confidence in the great general.

Meetings were held on the spot to deliver the gifts sent by the great leader Comrade Kim Chong-il. Responsible functionaries of party and government organizations, administrative and economic organizations, and working people's associations, as well as working people, participated in the meetings.

At the meetings, the gifts sent by the great leader general were delivered amid the participants' warm applause. Discussions of resolution followed. Resolutions were adopted at the meetings.

Kim Chong-il Receives Letter From Diplomats

*SK0809214795 Pyongyang KCNA in English
1522 GMT 8 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — The great leader Comrade Kim Chong-il received a floral basket and a congratulatory letter from the diplomatic corps in Korea on the occasion of the 47th anniversary of the Democratic People's Republic of Korea.

The floral basket and congratulatory letter were conveyed today to vice-premier and foreign minister Kim Yong-nam by Russian ambassador to Korea Yuriy Fadeyev on behalf of the diplomatic corps.

His excellency the great leader Kim Chong-il wisely leads the party, the army and the people, he said, adding: "In Korea we could directly witness this."

He said he felt very upset to meet the significant holiday without the great leader President Kim Il-song and that he would always remember the exploits performed by him for the people.

Kim Chong-il Receives Basket From Yasir 'Arafat

*SK0809215195 Pyongyang KCNA in English
1525 GMT 8 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — The great leader of our party and our people Comrade Kim Chong-il received a floral basket and a congratulatory letter from Yasir 'Arafat, president of the State of Palestine, on the occasion of the 47th anniversary of the Democratic People's Republic of Korea.

The floral basket and congratulatory letter were conveyed Friday to an official concerned by Palestinian Ambassador to Korea Shahir Muhammad.

The ambassador said President Yasir 'Arafat has always respect and reverence for the great leader Comrade Kim Chong-il, and hoped that he will enjoy longevity in good health and lead the Korean people to a greater progress and victory.

He went on to say that he honored again the memory of the great leader Comrade Kim Il-song, the founder of the DPRK, on the national day, September 9, and that the leader provided firm relations of friendship between the two peoples of Korea and Palestine.

Kim Chong-il Thanks Propaganda Unit Officials

*SK1209052195 Pyongyang KCNA in English
0430 GMT 12 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — The great leader Comrade Kim Chong-il extended thanks to officials of the propaganda and agitation department of the Anju City committee of the Workers' Party of Korea in South Pyongan Province for their vigorous political work among the masses.

Over the past two decades, they have invigorated the propaganda for awakening the people and the agitation for increasing production, mixing themselves with the people and working together with them as the anti-Japanese guerrillas did.

Comrade Kim Chong-il's thanks also went to the Kangso district party committee of Nampo municipality, the Taedong County security department of South Pyongan Province, a researcher of the Koryo medicine department of the Pyongyang University of Medicine, Yang Kum-hwa, and other units, officials and working people who had done good things for army-people unity.

He also thanked Chief Secretary Han Cho-ung of the Chaeryong County party committee of South Hwanghae Province and other county officials, the officials and farmers of the Samjigang cooperative farm of the county

and Director Chang Chang-kok of the Hwang Tae-pok farm for what they had done for society and the collective. And he highly appreciated chief instructor of the Taehung General Bureau Pyon Chong-myong, who had volunteered to work in a socialist rural community, and Choe Chin-hyok and four other students of the Igu Senior Middle School, Kusong City, North Pyongan Province, who had prevented an accident of a passenger car.

Kim Chong-il Receives Uzbek President's Greetings

SK0909061295 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 6 Sep 95

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people, has received a congratulatory message from Islam Karimov, president of the Republic of Uzbekistan, on the 47th anniversary of the founding of the DPRK.

The congratulatory message is as follows:

Pyongyang.

To Your Excellency Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army:

Your Excellency, I send sincere congratulations on behalf of the Uzbek people, government, and myself on the occasion of the DPRK founding anniversary of the national holiday of the Korean people. I am of the firm believe that friendship and reciprocal cooperation between the people of the two countries will be all the more strengthened and developed.

Through this opportunity, I hope that Your Excellency is healthy and happy, and that there is well-being and prosperity to the people. I express my respect.

[Signed] Islam Karimov, president of the Republic of Uzbekistan

[Dated] 19 August 1995, Tashkent

Groups Convey Letters of Loyalty to Kim Chong-il

SK0909112995 Pyongyang KCNA in English 1004 GMT 9 Sep 95

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — Relay groups for conveying letters of loyalty to the great leader Comrade Kim Chong-il leave one after another for Pyongyang on the threshold of the 50th founding anniversary of the Workers' Party of Korea (October 10, 1945).

A relay group of the Korean border guards left the secret camp on Mt. Paektu, a sacred mountain of revolution, on September 1 and a relay group of the people of Kangwon Province left on September 7.

A relay group of 8 million young people and a relay group of the people of North Hamgyong Province, which left the Wangjaesan revolutionary site and Hoeryong earlier, are on their way to Pyongyang amid enthusiastic welcome of working people and school children and students.

Foreign Envoys Congratulate Kim Chong-il

SK0909045695 Pyongyang KCNA in English 0439 GMT 9 Sep 95

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — Floral baskets, congratulatory letters and cards were sent to the great leader Comrade Kim Chong-il by foreign diplomatic envoys here in celebration of the 47th anniversary of the Democratic People's Republic of Korea.

Floral baskets and congratulatory letters were conveyed to officials concerned by diplomatic envoys of Cambodia, Iran, Bulgaria, Ethiopia, Cuba, Yugoslavia, Palestine, Egypt, Romania, Hungary, Poland and Yemen and the representative of the United Nations development program.

Meanwhile, congratulatory cards were sent to Comrade Kim Chong-il by the Chinese ambassador and military attache and the Egyptian military attache here.

Kim Chong-il Sends Thanks; Students Go to Mine

SK1009022095

[FBIS Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 6 September carries a one-minute report on Kim Chong-il sending thanks to county functionaries, including Han Chong-ho, responsible secretary of Chaeryong County Party Committee; functionaries and farmers of the Samjinghang cooperative farm; and Chang Chang-pok, manager of a farm where Chang Tae-pok is working, who carried out good deeds for the society and their group. The report continues to say that Kim Chong-il highly assessed Pyon Chong-myong, responsible instructor of the Taehung General Bureau who resolved to voluntarily venture to a socialist farm, and four students, including Choe Chin-hyok of the Yiku Senior Middle School of Kusong city who prevented a passenger train accident.

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 8 September carries a two-minute report on some 500 graduates of a senior middle school in Nangnim County collectively advancing to the Nangnim mine. The report says that before departing, "they held a gathering and resolved to highly uphold the fatherly leader's lifetime teaching and highly uphold the

great leader [yongdoja] Comrade Kim Chong-il by producing more nonferrous metal ore." The report cites interviews on how students are determined to advance to the mine and loyally uphold Kim Chong-il.

Foreign Leaders Send Greetings to Kim Chong-il

*SK1109045995 Pyongyang KCNA in English
0401 GMT 11 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The great leader Comrade Kim Chong-il received messages of greetings from heads of state and government of different countries on the occasion of the 47th anniversary of the Democratic People's Republic of Korea.

The messages were sent by General Secretary of the C.C. [Central Committee], Communist Party of Vietnam Do Muoi and President of the Socialist Republic of Vietnam Le Duc Anh; King Norodom Sihanouk and First Prime Minister Norodom Ranariddh of Cambodia; President of the Federation of Russia B. Yeltsin; President of Ukraine Leonid Kuchma; President of Indonesia Suharto; King of Malaysia Tuanku Ja'afar ibni Al-Marhum Tuanku Abdul Rahman; Iranian President 'Ali Akbar Hashemi-Rafsanjani; Indian President Shankar Dayal Sharma; Bangladeshi President Abdur Rahman Biswas; Pakistani President Sardar Farooq Ahmed Khan Leghari; Sultan of Oman Qabus Bin-Sa'id Al Sa'id; Syrian President Hafiz al-Asad; Amir of Kuwait Jaber al-Ahmad al-Jabir al-Sabah; Romanian President Ion Iliescu; Uzbek President Islam Karimov; Algerian President Liamine Zeroual; Valentine Esegzagbo Melvin Strasser, head of state and chairman of the national provisional ruling council of Sierra Leone; Guinean President Lansana Conte; Angolan President Jose Eduardo dos Santos; Zairian President Joseph Mobutu Sese Seko Kuku Ngbendu Wa Za Banga; Togolese President Gnassingbe Eyadema; President of Maldives Maumoon Abdul Gayoom; Mexican President Ernesto Zedillo Ponce de Leon; Sani Abacha, head of state and commander-in-chief of the Armed Forces of Nigeria; Mauritian President Cassam Uteem; and Prime Minister of Bangladesh Khaleda Ziaur Rahman.

In the messages they extended warmest congratulations to Comrade Kim Chong-il on the national day.

They expressed the belief that the relations of friendship and cooperation between Korea and their countries would continue to strengthen and develop.

The messages sincerely wished Comrade Kim Chong-il a long life in good health.

Comrade Kim Chong-il also received a telegram of greetings from Raul Castro Ruz, Minister of the Revolutionary Armed Forces of Cuba, on this occasion.

Director Urges Glorifying Kim Chong-il Era

*SK1109102095 Pyongyang KCNA in English
1012 GMT 11 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The Asian Regional Institute of the Chuche Idea will thoroughly implement its action programme to add brilliance to the glorious era of Kim Chong-il in keeping with the unanimous will and aspirations of all the followers of the chuche idea in Asia to remain loyal to the great leader Comrade Kim Chong-il who is creditably carrying forward the revolutionary cause of respected Comrade Kim Il-song.

This was stressed by T.B. Mukherjee [spelling of name as received], director general of the Asian Regional Institute of the Chuche Idea who is a winner of the "International Kim Il-song Prize", in an interview with KCNA on the occasion of the 15th anniversary of the foundation of the institute.

In the past 15 years, the institute deepened and developed the study and dissemination of the chuche idea in the Asian region, T.B. Mukherjee said, adding: As a result, the ranks of the followers of the chuche idea have markedly increased and the ardour for learning from socialist Korea has risen among the people.

He further said:

After deeply grasping the profound truth of the chuche idea, the followers of the chuche idea wrote, published and disseminated many books including "Kim Il-song Encyclopedia", "Kimilsongism Is Banner of Independence, Peace and Friendship" and "Kim Chong-il Is Founder of Scientific Socialist Doctrine."

It is the general task of the institute to bring a great change in the study and dissemination of great Kimilsongism.

We will defend the Democratic People's Republic of Korea, the homeland of chuche, and intensify the activities to extend full support and encouragement to the Korean people in their struggle for the independent and peaceful reunification of their country.

Daily Commemorates Kim Il-song's Work on Chuche

*SK0809122695 Pyongyang KCNA in English
1052 GMT 8 Sep 95*

["Highly Important Work in Accomplishing Socialist Cause of Chuche" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — NODONG SINMUN today dedicates a signed article to the seventh anniversary of the publication of the great leader President Kim Il-song's famous work "Let Us Accomplish the Cause of Socialism and Communism Under the Revolutionary Banner of Chuche" (September 8, 1988).

The work serves as a highly important guideline that our party and people should hold high forever to victoriously accomplish the socialist cause along the road of chuche indicated by the great leader, the article says, and goes on:

The work has become an immortal banner, a powerful weapon that helps our party and people push ahead with the socialist cause along a short-cut in any rigorous trial.

By keeping the independent and creative position in the whole course of the revolution and construction, the WPK [Workers Party of Korea] has been able to establish chuche in ideology and independence in politics and build a powerful self-supporting national economy and self-reliant defense power enough to creditably ensure the happy material and cultural life of the Korean people and the security of the fatherland.

Korea is now exalting itself all over the world as a socialist power, independent in politics, self-sufficient in economy and self-reliant in defense and her people are proud of enjoying a happy and genuine life. This is the precious fruition of the wise leadership of the WPK which has maintained the chuche-based stand and the principle of continuous revolution, fortified the driving force of the revolution and steadily enhanced its role.

The work also serves as a bright beacon that clearly indicates the way of historical struggle of the Korean people to build an ideal society of mankind where the popular masses' independence is realized completely with the application of the chuche idea.

To step up the three revolutions, ideological, technical and cultural, while cementing the people's power and enhancing its role is the general line of the WPK in building socialism and communism.

The theory on communism expounded by the great leader in the work in a unique way is a most perfect and powerful revolutionary doctrine indicating the way of eternal happiness and prosperity of mankind, trans-

forming nature, society and man in conformity with the social character of mankind to live and develop independently and making men full-fledged masters of the world and their destiny.

The great theoretical and practical significance of the work lies in that it indicates to the popular masses a short-cut to the building of ideal society of mankind by comprehensively systematizing and perfecting the theory on socialism and communism, which is the immortal historic contribution of the great leader to realising the independence of the popular masses.

Foreigners Visit Kim Il-song's Statue

*SK0909042995 Pyongyang KCNA in English
0417 GMT 9 Sep 95*

[All names are as received]

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — Palestinian Ambassador to Korea Shahir Muhammad and his embassy officials called on Friday at the statue of the great leader President Kim Il-song on Mansu Hill on the occasion of the 47th anniversary of the Democratic People's Republic of Korea, to lay a floral basket and make bows.

David Tompson McGhie, director of "Thsmas Howell Group" of Britain, visited the statue to lay a floral basket and make a bow.

The director said it was the result of the wise leadership of the great leader President Kim Il-song that Korea has developed as today. Meanwhile, a delegation of Qiu Shi, the political and theoretical organ of the Chinese Communist Party Central Committee, led by its Deputy General Editor Ma Yingbai and a delegation of the Foreign Ministry of Laos led by its Vice-minister Soubanh Srithirath laid bouquets of flowers before the statue of President Kim Il-song respectively on September 8 and 7 and made bows.

People, Soldiers, Diplomats Honor Kim Il-song

*SK0909112895 Pyongyang KCNA in English
1002 GMT 9 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — People from all walks of life, soldiers of the Korean People's Army [KPA], overseas compatriots and foreign diplomatic envoys in Korea today laid floral baskets before the statue of the great leader President Kim Il-song on Mansu Hill on the occasion of the 47th founding anniversary of the DPRK.

A floral basket sent by the great leader of the Workers' Party of Korea [WPK] and the Korean people Comrade

Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, was laid before the statue of President Kim Il-song.

The colours of the KPA and the honour guards of the three services were solemnly lined up around the statue.

Amid the playing of music floral baskets were laid in the name of the WPK Central Committee, the DPRK Central People's Committee, the Administration Council, the anti-Japanese revolutionary fighters, the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), the Korean Children's Union, the Ministry of the People's Armed Forces, the Ministry of Public Security, KPA units, the commissions and ministries under the Administration Council, public organisations and central state organs.

The diplomatic envoys' corps and the military attaches' corps in Pyongyang laid floral baskets.

Floral baskets were laid before the statues of President Kim Il-song in different parts of the country.

Participants made reverences to President Kim Il-song, who devoted all his life to the foundation of the DPRK, its strengthening and development and the accomplishment of the revolutionary cause of *chuche*.

Looking back on the great life of the respected leader President Kim Il-song, they renewed their resolution to accomplish the revolutionary cause of *chuche* generation after generation, upholding Comrade Kim Chong-il at the head of the party, the state and the Army.

Senior Party, State Leaders Honor Kim Il-song

*SK0909113595 Pyongyang KCNA in English
1011 GMT 9 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 9 (KCNA) — Senior party and state cadres visited the Kumsusan Memorial Palace today on the occasion of the 47th anniversary of the Democratic People's Republic of Korea to pay homage to the great leader President Kim Il-song.

Among them were Vice-Presidents Yi Chong-ok and Pak Song-chol, Politburo members of the Workers' Party of Korea [WPK] Central Committee, and Vice-President Kim Pyong-sik, chairman of the Korean Social Democratic Party Central Committee.

A floral basket in the joint name of the WPK Central Committee, the WPK Central Military Commission, the DPRK National Defence Commission, the DPRK Central People's Committee and the DPRK Administration Council was laid before the statue of President Kim Il-song.

The visitors expressed reverence for President Kim Il-song, looking up to the statue.

Then, they made bows to President Kim Il-song lying in state.

Foreign Visitors Lay Flowers at Kim Il-song Statue

*SK1109043895 Pyongyang KCNA in English
0403 GMT 11 Sep 95*

[All names are as received]

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — A friendship visiting group of Malaysia led by member of parliament Chan Kong Choy, deputy minister of Energy, Telecommunications and Posts [Ministry], a delegation of the General Confederation of Trade Unions of the Commonwealth of Independent States led by its Vice-president N.D. Podshibiakina and a delegation of the Independent Trade Unions of Russia headed by its Secretary Tatiana L. Frolova laid floral baskets and bouquets and made a bow before the statue of the great leader President Kim Il-song on Mansu Hill on September 9.

Soldiers Send Relief Goods to Flood Victims

SK1009020895 Pyongyang Korean Central Television Network in Korean 1100 GMT 8 Sep 95

[FBIS Translated Text] Soldiers of a Korean People's Army [KPA] unit to which Comrade Yun Chong-in belongs transported relief goods, including bedding, clothes, and kitchen utensils loaded in about 70 automobiles to the people of Unpa District, who had unexpected flood damage in August. Unpa District residents received the soldiers like their own children and welcomed the great general's fighters. The residents were filled with the resolution to recover from the flood as soon as possible and repay the great leader [yongdoja] Comrade Kim Chong-il's great faith and love with increased grain production.

[Begin recording] [First unidentified speaker] We could not have imagined this if we were in a capitalist society that only values money. I believe this is only possible in a popular, masses-centered socialist society of our style, which is being elucidated by the respected and beloved general. We cannot thank the Army enough for defending our lives and properties, but they even delivered to us everything we needed to eat, dress, and use as soon as they received the news of our flood damage. Our gratitude is beyond words. Only the general's Army, our People's Army, can do this. We do not make little of the relief goods the soldiers brought to us. Every item bears the great general's benevolent love and the soldiers' warm care. We will remember the

general's benevolence warm in our hearts and quickly recover from the flood so that the great general worries no more.

[Second unidentified speaker] It was such an unexpected disaster. I did not know what to do at first. Then, I came to think that we have the great general and the popular masses-centered socialist system of our style and became confident that we could put our lives back together. We did not expect this but the general's fighters came to encourage us with various relief goods. I feel so secure now. My faith has become stronger that the general's fighters are the best and our country is the best to have the harmonious unity between the Army and the people.

[Third unidentified speaker] During the flood, I reconfirmed how great is the bosom we are embraced in and how superior our system is. I decided to return the mercy by devoting loyalty and piety to the great general generation after generation. [end recording]

Cooperative Farms Achieving More Bumper Crops *SK1009025795*

[FBIS Editorial Report] Pyongyang Korean Central Television Network in Korean at 1100 GMT on 8 September carried an under-one-minute report on the Kwansu Cooperative Farm in Kaepung County achieving a bumper crop. The report says it is expected that more grain will be harvested compared with last year. The report continues to say that farmers here achieved such good results "embraced with the single-hearted determination to make the respected and beloved General Kim Chong-il happy." The report then says the farm's corn crop also achieved a bumper crop.

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 8 September carries an under-one-minute report on Migok cooperative farm achieving a bumper crop in its wet-rice field where "the fatherly leader and the great leader [yongdoja] Comrade Kim Chong-il had visited." The report says farmers here have carried out all farming work in accordance with the scientific and technical demands and "braced with the determination to further elucidate the fatherly leader and the dear comrade leader's immortal leadership achievements."

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 8 September also carries an under-one-minute report on the Ongot cooperative farm in Anak County providing a bumper crop. The report says they carried out farm work sincerely to achieve a bumper crop on this significant year "by thoroughly implementing the fatherly leader's lifetime teaching."

Senior Officials Mark Nation's Founding 10 Sep *SK1009090495 Pyongyang KCNA in English* *0807 GMT 10 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 10 (KCNA) — Senior party and government officials, working people, soldiers of the Korean People's Army [KPA] and youth and students on Saturday laid floral baskets before the monument to victory in the fatherland liberation war and wreaths before the Revolutionary Martyrs Cemetery on Mt. Taesong and the Patriotic Martyrs Cemetery on the 47th anniversary of the DPRK.

A floral basket and wreaths sent by the great leader Comrade Kim Chong-il were laying before the monument and the cemeteries respectively.

Vice-Presidents Pak Song-chol and Kim Pyong-sik and other senior WPK [Workers' Party of Korea] and government officials were present at the ceremonies for laying floral baskets and wreaths.

The honour guards of the KPA stood up at the monument and the cemeteries.

Amid the playing of music, floral baskets and wreaths were laid in the name of the Central Committee of the Workers' Party of Korea, the DPRK Central People's Committee and the Administration Council.

And floral baskets and wreaths were laid in the name of the Ministry of the People's Armed Forces, the Ministry of Public Security, working people's organisations, the commissions and ministries under the Administration Council, the KPA units and the party and power organs and the administrative and economic bodies in Pyongyang.

Peoples from all walks of life, the KPA soldiers, youth and students also laid bouquets and flowers.

Leaders Lay Floral Baskets at War Monument *SK1109021795 Pyongyang Korean Central* *Broadcasting Network in Korean 0417 GMT 9 Sep 95*

[FBIS Translated Text] On the 50th anniversary of the DPRK's founding, leading party and government officials, People's Army soldiers, and workers presented a floral basket at the Monument to the Victorious Fatherland Liberation War on the morning of 9 September.

A floral basket sent by Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people, who is the chairman of the DPRK National Defense Commission and the supreme commander of the Korean People's Army [KPA], was placed in front of the statue on victory, a main sculpture of the monument to the

victorious war. A KPA honor guard was standing at the monument to the victorious war.

Attendants were Comrades Choe Kwang, Paek Hak-nim, Kim Kwang-chin, and Hwang Chang-yop; officials of party, state, and administrative and economic offices and central offices; generals and soldiers of the KPA; and workers in Pyongyang.

[Music heard in the background] While the music for presenting floral baskets was being played, floral baskets were presented in the name of the WPK Central Committee, the DPRK Central People's Committee, and the Administration Council. And, floral baskets were presented in the name of the Ministry of People's Armed Forces, the Public Security Ministry, ministries of the Administration Council, central organizations, KPA units, offices of education, culture, and arts, and party, state, and administrative and economic offices in Pyongyang.

The ribbons tagged to the floral baskets read "Let there be victory and honor to officers and men of the heroic KPA!"

The participants paid profound respects to officers and men of the KPA who honorably defended the fatherland's independence and sovereignty and the revolutionary accomplishments in the fatherland liberation war after defeating the imperialist allies under the leadership of the great leader Comrade Kim Il-song.

The participants looked around the monument to the victorious war.

Meeting Marks Anniversary of Young Red Guards

*SK1209053795 Pyongyang KCNA in English
0440 GMT 12 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 12 (KCNA) — Today is the 25th anniversary of the foundation of the Young Red Guards. The great leader President Kim Il-song founded a revolutionary militia organization of the Workers' Party of Korea [WPK] with students on September 12, 1970, on the basis of the precious experiences of the anti-Japanese revolutionary struggle and in conformity with the requirements of the Korean revolution.

The Young Red Guards is armed forces of students who conduct military activities while studying. It regards it as its noble mission to safeguard the WPK and leader, the country and people with arms and firmly defend our socialist system from the encroachment of the enemy.

The foundation of the Young Red Guards enabled our party and people to have one more powerful militia

organization, a reliable reserve for further expanding and strengthening the ranks of the People's Army.

A national meeting celebrating its 25th birthday took place in Pyongyang on September 11.

Vice marshal of the Korean People's Army Kim Ik-hyon said in his report that the foundation of the Young Red Guards was a brilliant fruition of the self-defense military line, an embodiment of the great chuche idea in the national defence, and an important event in firmly establishing defence system of all people and entire nation and increasing the nation's defence power to take up an impregnable position.

He noted that the officers and men of the Young Red Guards should remain loyal unboundedly to the idea and leadership of respected supreme commander Comrade Kim Chong-il, train themselves to be the rifles and bombs safeguarding him with their lives and further strengthen the military power of the Young Red Guards through their energetic combat and political activities.

Hydroelectric Power Enterprise Increases Production

*SK1109024395 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 10 Sep 95*

[FBIS Translated Text] Electricity producers of the 17 March hydroelectric power enterprise are vigorously carrying out the struggle to brilliantly decorate the grand October festival with results of increasing electricity production.

Electricity producers of the No. 1 power generation work site where the great leader [yongdoja] Comrade Kim Chong-il's immortal achievements are evident, are enhancing hydraulic turbine efficiency under the enthusiasm to fulfill without fail the production target by the 50th anniversary of the party founding, thus, they are overfulfilling electricity production targets by 110 percent daily.

Electricity producers of the No. 2 and No. 3 power generation work sites are increasing electricity production by effectively using the existing water.

Complex Produces 50,000-Kilowatt Generator

*SK1109040995 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 10 Sep 95*

[FBIS Translated Text] According to a report by station reporter Sonu Sang-yol, functionaries and working class of the Taean Heavy Machine Complex produced a 50,000-kilowatt hydroelectric power generator.

The complex carried out a vigorous struggle from the beginning of this year to provide a gift of labor on the 50th anniversary of our party founding. As soon as the task on producing the power generation was put forth, they accelerated production by highly setting up the stage by stage militant goal and actively surveying inner reserves.

In particular, the working class of the No. 1 and No. 2 processing work sites of the power generator facility solved the problem of providing scores of tonnes of steel materials necessary in production by themselves, and quantitatively processed 20,000 small- and large-sized spare parts of some 800 kinds.

Statue of 'Young Revolutionary' Erected
SK1109054095 Pyongyang KCNA in English
0431 GMT 11 Sep 95

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — A statue of Kim Kum-sun, a young revolutionary, was erected on the campus of Kim Kum-sun Senior Middle School in the border city of Sinuiju in Korea.

As a member of the anti-Japanese Children's Corps organized by the great leader President Kim Il-song, she delighted him with dances and songs and always faithfully fulfilled the duties the revolutionary organization placed on her such as scattering of leaflets and delivering of secret messages.

At the age of nine, she was arrested by the Japanese imperialists on a mission of secret liaison and harshly tortured. But she kept the secret and died a heroic death.

In November 1945 just after the liberation of the country, President Kim Il-song visited the then Sinuiju Women's Middle School and told its teachers and students about her heroic struggle.

The Namsong Senior Middle School in Sinuiju was renamed Kim Kum-sun Senior Middle School in August 1991 to convey her revolutionary feats and fighting spirit down through generations.

Recollecting with deep emotion her heroic struggle in his reminiscences "With the Century," the respected leader President Kim Il-song said her struggle deserved a gold statue or a bronze statue.

The great leader Comrade Kim Chong-il made sure that her statue was erected, reflecting the desire of all the people including children and youths to convey through generations her revolutionary feats and fighting spirit in the struggle for the liberation of the country.

Her statue was unveiled Sunday with a ceremony.

'Speed Campaign Youth Shock Brigade' Commended

SK0809122895 Pyongyang KCNA in English
1031 GMT 8 Sep 95

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — A ceremony for awarding state commendation to members of the Speed Campaign Youth Shock Brigade, a powerful construction team of young people, was held in Pyongyang on September 7.

The title of Labour Hero and state commendation were awarded to 1,522 leading officials and members of the Speed Campaign Youth Shock Brigade who made active contributions to the construction of the socialist economy and the improvement of the people's living standard by building a number of monumental edifices of eternal value in the country in the revolutionary spirit of self-reliance under the leadership of the party.

The Speed Campaign Youth Shock Brigade, founded in May, 1975, has successfully built nearly 160 objects such as the Taehung Youth Mining Complex, the northern railway lines and dwelling houses for 50,000 families in Pyongyang.

The shock brigade received congratulatory messages and letters of thanks from the great leader President Kim Il-song and the great leader Comrade Kim Chong-il on over ten occasions and produced a large number of winners of the Kim Il-song Youth Honour Prize, labour heroes and order-bearers.

Over 5,000 Foreigners Visit Kumsusan Palace
SK0809123395 Pyongyang KCNA in English
1037 GMT 8 Sep 95

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — Two months have passed since Kumsusan Memorial Palace was opened to the public according to the noble intention of respected Comrade Kim Chong-il to hold the great leader President Kim Il-song in high esteem as the eternal sun.

In this period more than 5,000 overseas Koreans and foreigners have visited the palace to express deep reverence for President Kim Il-song.

Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea, said he could not repress excited emotion when he saw the great leader Comrade Kim Il-song who is preserved in state at Kumsusan Memorial Palace.

"Comrade Kim Il-song was a great leader who founded the immortal chuche idea and led the people's cause of independence to a brilliant victory under its banner," the secretary general noted, adding: "Thanks to his

leadership, our era has become an era of independence in which the people are hewing out their destiny by their own efforts."

He said that Comrade Kim Il-song is the eternal sun of humankind who will be immortal for all ages.

Madirisha Juvenal, secretary general of the African Regional Committee of Friendship and Solidarity With the Korean People and chairman of the Burundian Committee To Support Korea's Reunification, said: "Not only for the Korean people but also for the world progressives, Comrade Kim Il-song was the sun of chuche and a great teacher who indicated the way ahead of humankind.

Kumsusan Memorial Palace will throw rays as a beacon of hope indicating the way of human cause of independence."

W.A. Dumiduwardane, secretary general of the Sri Lanka-People's Korea Friendship Association, said: Kumsusan Memorial Palace is the supreme acme of Comrade Kim Chong-il's loyalty and filial piety and obligation to Comrade Kim Il-song. Through his example in practice, Comrade Kim Chong-il showed the world people how the communists should uphold their leader with what outlook on politics and morality.

Bulletins Published Overseas on Founding Anniversary

SK0809225995 Pyongyang KCNA in English
1508 GMT 8 Sep 95

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — Bulletins were published in Pakistan, Peru and Bulgaria on the occasion of the 47th anniversary of the foundation of the Democratic People's Republic of Korea (September 9, 1948).

A special edition of bulletin published on August 30 by the Pakistan-Korea Friendship Association said in the preface that his excellency the great leader President Kim Il-song built a socialist state in Korea and that his excellency the Great Leader Kim Chong-il has wisely led the Korean-style socialism centred on the popular masses to victory.

A special edition of bulletin published on August 29 by the Peru- Korea Institute for Culture and Friendship carried the brief biography of the great leader President Kim Il-song and quoted his proposition written in the sixth volume of anti-Japanese revolution, the first part of his reminiscences "With the Century". It also introduced the composition and contents of the sixth volume.

Under the title "Encyclopedia Indicating the Path for Socialist Victory" the bulletin edited an article on the

great leader Comrade Kim Chong-il's famous work "Socialism Is a Science" and articles titled "Politics of His Excellency Kim Chong-il" and "People Free From Worries."

A commemorative bulletin No.95 published by the Bulgaria-Korea Friendship Association carried the gist of Comrade Kim Chong-il's famous work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism".

The bulletin highly praised the immortal revolutionary exploits of President Kim Il-song in articles titled "50th Anniversary of Korea's Liberation" and "September 9 Is National Day of the Democratic People's Republic of Korea" and in articles on the achievements of Korea in socialist construction.

Bulletins Published in Various Countries

SK0909051095 Pyongyang KCNA in English
0448 GMT 9 Sep 95

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — Bulletins were published in Pakistan, Peru and Bulgaria on the occasion of the 47th anniversary of the foundation of the Democratic People's Republic of Korea (September 9, 1948).

A special edition of bulletin published on August 30 by the Pakistan-Korea Friendship Association said in the preface that his excellency the great leader President Kim Il-song built a socialist state in Korea and that his excellency the great leader Kim Chong-il has wisely led the Korean-style socialism centred on the popular masses to victory.

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A commemorative bulletin No.5 published by the Bulgaria-Korea Friendship Association carried the gist of Comrade Kim Chong-il's famous work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism".

The bulletin highly praised the immortal revolutionary exploits of President Kim Il-song in articles titled "50th Anniversary of Korea's Liberation" and "September 9 Is National Day of the Democratic People's Republic of Korea" and in articles on the achievements of Korea in socialist construction.

Performances Celebrate Nation's 47th Anniversary
SK1009095195 Pyongyang KCNA in English
0829 GMT 10 Sep 95

[FBIS Transcribed Text] Pyongyang, September 10 (KCNA) — A dancing party of youth and students in Pyongyang took place at Kim Il-song Square on the evening of September 9 to celebrate the 47th anniversary of the foundation of the Democratic People's Republic of Korea.

When the melodies of "Long Live Generalissimo Kim Il-song" was sounded at the festively decorated square, young workers, young scientists and students formed a sea of dancing, a sea of flowers with deep reverence and loyal heart for the great leader President Kim Il-song, the founder of the DPRK, and the great leader Comrade Kim Chong-il, who built our-style socialist system centred on the popular masses in this land and demonstrated its dignity to the whole world. The dancing party reached the climax with lively melodies of songs "Our Comrade Kim Chong-il", "Let Us Love My Country", "Song of Three Prides", "My Country Is Best" and "Let's Defend Socialism".

Overseas Koreans on a visit to the socialist country and foreigners enjoyed the holiday evening with Korean young people.

Art performances were given at the Pyongyang Grand Theatre, the State Theatre, the Ponghwa Art Theatre, the Hamhung Grand Theatre and other theatres in the capital city and local areas to celebrate the 47th anniversary of the DPRK.

South Korea

IAEA, North Plan Plutonium Inspection Talks
SK1209014395 Seoul YONHAP in English
0126 GMT 12 Sep 95

[FBIS Transcribed Text] Berlin, Sept. 11 [dateline as received] (YONHAP) — The International Atomic Energy Agency (IAEA) will resume negotiations with North Korea to allow IAEA personnel to inspect the total volume of plutonium North Korea possesses, an IAEA source in Vienna said Monday.

Hans Blix, IAEA director-general, told the regular board of governors meeting Monday that the IAEA negotiation team will arrive in Pyongyang later that day and that

the results of the negotiations would be disclosed at the regular plenary session of the IAEA next week or at an ad hoc board of governors meeting after the session.

The IAEA had conducted negotiations with Pyongyang until last March in order to ascertain the total volume of plutonium produced at its Yongbyon 5-megawatt reactor, which has been kept in the more than 8,000 fuel rods that are stored in the reactor's cooling pond.

Once the IAEA determines the amount, the nuclear watchdog can trace the history of the North Korean nuclear program.

The IAEA negotiation team, accompanying the two IAEA inspectors stationed in North Korea, will conduct negotiations with North Korean officials through Sept. 19, according to the IAEA source.

Meanwhile, the IAEA has demanded North Korea allow them to inspect the plutonium there before U.S. technicians are permitted to solidify the fuel for permanent storage when it would be impossible for the IAEA to determine the amount of plutonium the communist state possesses.

North Korea, however, has maintained the position that it will not allow any inspections of the plutonium until progress is made in the international light-water reactor supply contract.

North Flood Damage 'More Serious Than Expected'
SK1209065795 Seoul CHOSON ILBO in Korean
12 Sep 95 p 1

[Report by reporter Ku Song-chae]

[FBIS Translated Text] It was learned on 11 September that about 30 percent of North Korea's industrial facilities have been paralyzed by the recent floods.

A government source said: "North Korea's flood damages, including those of dams in the Tumen River and the Chongchon River and other communication facilities, are more serious than expected. Crops have also suffered severe damages. Therefore, North Korea's food shortage will be all the more aggravated."

During a high-ranking party-administration session held on 11 September, Na Ung-pae, deputy prime minister and national unification minister, said: "As of now, international organizations have provided a total of \$440,000 in financial assistance to North Korea due to the flood."

Article Views Delayed Kim Chong-il Succession

*SK1209105395 Seoul SEOUL SINMUN in Korean
12 Sep 95 p 4*

[Article by reporter Ku Pon-yong]

[FBIS Translated Text] "Kim Chong-il of North Korea is probably the most anxious man in power on earth." An authority made this comment after seeing a video tape of the rally recently held in North Korea marking the 47th anniversary of the founding of the North Korean regime (9 September), which did not include Kim Chong-il. Until now, one year and two months after Kim Il-song died, Kim Chong-il has not yet succeeded to power because of the delay in his election to the highest positions of general secretary of the party and president of North Korea. Adding to his troubles, according to the authority, the greatest flood in decades recently ravaged all of North Korea.

Of course, his absence from the rally may not mean there are problems in his power succession because he did not appear at the 9 September rally marking the 45th founding anniversary, a so-called "pentameter anniversary [an anniversary coming every five years]."

However, it is meaningful that there was no sign during the recent rally indicating his succession to power.

High-level party, government, and army cadres, including Vice Presidents Yi Chong-ok, Pak Song-chol, and Kim Pyong-sik, attended the rally held at the February 8 House of Culture on 8 September, the eve of the national founding holiday, and expressed their resolution to be absolutely loyal to Kim Chong-il. However, their pledge of loyalty sounded empty because Pak Song-chol's commemorative report focused on praising the feats of Kim Il-song, presenting no policy that indicates the opening of the Kim Chong-il era.

Accordingly, observers again doubt the early establishment of the Kim Chong-il regime. Even Na Ung-pae, deputy prime minister for national unification who anticipated the possibility of Kim's power succession in the latter half of this year, engaged in double speak. While addressing the ROK-U.S. Association on 6 September, he stated: "In light of the current situation, it is unclear whether Kim Chong-il's power succession will be completed on 10 October (the 50th anniversary of the founding of the Workers Party of North Korea)."

There are various perspectives on the reason for the delay in the power succession in North Korea. Some experts mention Kim Chong-il's health problems and his reluctance to meet people.

However, this view is marginal. Rather, the prevailing view is that Kim Chong-il's accession to the top

authority is being delayed because of the economic and diplomatic restrictions faced by North Korea. According to Ho Mun-yong, senior researcher at the National Unification Research Institute, although there is no problem in controlling the people under the Kim Chong-il system, "a basis must be prepared for Kim Chong-il to perform certain feats in order to win the people's support and to maintain power."

Deputy Prime Minister Na possesses a similar view. He recently stated: "The shift of the leadership system from Kim Il-song to another person means the replacement of myth with reality." He continued: "No one can maintain a unified North Korean system under the situation where there is no way to overcome the difficult reality."

As an extension of this assumption, Ho mentioned even the tiniest extenuation of current economic difficulties and diplomatic results, such as the opening of North Korean and U.S. liaison offices, as prerequisites for Kim's accession to the top authority.

Government To Recall Ambassador to New Zealand

*SK1209014795 Seoul YONHAP in English
0129 GMT 12 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 12 (YONHAP) — The South Korean Government will recall its ambassador to New Zealand Yi Tong-ik to reprimand him for the alleged forgery of diplomatic documents by a member of his embassy staff earlier this year.

A Foreign Ministry official said Tuesday the ministry would soon inform the New Zealand Government of its decision and ask for an early conclusion to the island nation's examination as to whether Choe Sung-chin, a former attache at the South Korean Embassy there, qualifies as an international refugee.

Choe is wanted in South Korea on charges he forged diplomatic documents related to the local elections held here in June.

The ambassador should bear responsibility for having failed to take measures against such misconduct by a member of his staff in view of its profound effect on politics, the official said, adding, he would be recalled home and held accountable for the forgery.

The Wellington government is examining whether Choe qualifies as an international refugee, meanwhile, Seoul has decided to ask the New Zealand Government to conclude its examination as soon as possible as South Korea no longer wishes to wait for Wellington's repatriation of Choe, he remarked.

Choe applied for Wellington's examination of his status as an international refugee in early July and the New

Zealand Government is expected to decide the matter by the end of this month.

In the event Wellington rules that Choe does not qualify as a refugee, he will either be deported or may appeal for re-examination.

1996 Budget Support for Small Business Increased

SK1209052895 Seoul YONHAP in English
0227 GMT 12 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 12 (YONHAP) — The government and the ruling Democratic Liberal Party (DLP) have agreed to add a total of 550 billion won to the government-proposed expenditures for small businesses, rural development, improved welfare facilities, infrastructure expansion and anti-pollution measures next year, without increasing the overall budget proposal set at 63 trillion won for 1996.

To offset these increases, those expenditures not considered urgent next year will be trimmed.

The government-proposed 1,930 billion won support for small businesses, especially those in provincial areas, will be increased by 130 billion won, while the 6,670 billion won earmarked for rural industry restructuring will be increased by 100 billion won.

The 7,390 billion won reserved for infrastructure expansion projects in 1996 will be increased by 80-90 billion won, while environmental spending will be increased 50 billion won raising the total to 810 billion won for 1996.

In addition, the 3,370 billion won earmarked for the improved welfare of working people will be raised another 100 billion won.

While the DLP agreed to the government's defense budget of 12,260 billion won, up 10.7 percent from this year.

DLP chief policymaker Kim Chong-ho said, emerging from a joint DLP-administration meeting held Tuesday, that his party had focused its examination of the government-proposed budget on President Kim Yong-sam's election pledges regarding support to small businesses, rural development, the improvement of wage earners' welfare and the modernization of the defense structure.

Among those who attended the joint meeting were Deputy Prime Minister and Finance and Economy Minister Hong Chae-hyong and DLP Budget and Accounts Committee Chairman Chong Sun-tok.

The budget will be introduced to the National Assembly this month, after line-item adjustments are made and the approval of President Kim Yong-sam is realized.

Industry Aims To Export 1 Million Vehicles

952C0167A Seoul SILMUL KYONGJE in Korean
2 Aug 95 pp 17-24

[FBIS Translated Excerpt] Our auto industry exported 520,000 cars in the first half of 1995, or an increase of 55 percent over the comparable period in 1994, thanks to the increasing motorization trend in developing countries. If the current pace continues, the total export of automobiles is expected to break the 1 million-car mark at the end of the year. Trade frictions with advanced countries are anticipated as an aftermath of the sharp increase in our automobile exports. With this in mind, this article will examine the state of our auto industry, with attention focused on problems involving various factors in auto manufacture, such as quality, technology, and manpower, as well as prospects for a stable auto export in the future.

Searching New Course

The number of automobiles exported in the first half of the year was 520,000, an increase of 55 percent over the comparable period in 1994. If the current pace of increase continues through the second half, our annual auto export is expected to exceed 1 million cars by the end of this year.

The reasons for the current boom in our automobile exports are: the increasing motorization trend in developing countries; the expanded auto export markets spurred by the economic recovery in industrialized countries; and the price advantage of Korean-made cars over Japanese cars due to the high yen value. However, the increase in auto exports generated by external conditions, such as the super strong yen, cannot be maintained for long unless it is backed up by quality-based competitiveness. There are even fears that the sudden surge in auto exports may impede the restructuring of our automobile industry.

For one thing, the surge in automobile exports tends to push up the prices of auto parts and result in a deterioration of their quality by causing a shortage of auto parts on our domestic market. The concern in volume shipment to rake in short-term profits could lead to a lower standard of dynamic competitiveness of our auto industry.

As is well known, the ROK auto industry in the latter part of the 1980's registered a marvelously fast increase in automobile export, followed by the doldrums in the ensuing 4 years. This happened because our auto export environment deteriorated precipitously under the circumstances in which the production system in our auto industry did not have a strong enough

competitive foundation to withstand any change in external conditions. The background of the current auto export boom is similar to that in the latter part of the 1980's in that it has been generated by the favorable turn of external conditions while the production basis of our auto industry has not improved much.

Therefore, unless the ROK auto industry strengthens its internal foundation of competitiveness, such as the quality of production and technology, there is the possibility that the precipitous drop in auto exports of the latter part of the 1980's will be reenacted when the position of the strong yen weakens. Particularly, the current sudden surge in auto exports not backed up by a sound competitive basis could cause trade frictions in the importing countries, and this possibility renders it all the more necessary for our auto industry to devise a new development strategy.

Annual Auto Export Likely To Exceed 1 Million Cars

Our annual auto exports registered an all-time high of 740,000 cars last year. In the first half of this year, 520,000 cars were exported, or an increase of 55 percent over the comparable period in 1994.

The breakdown of the automobile exports in the first half year: 453,000 passenger cars, or an increase of 50 percent; and 72,000 commercial vehicles, or a 93-percent increase. The ratio of commercial vehicles to total car exports increased to 13.7 percent this year from 12 percent in 1994. In the first half of the year 132,000 cars were exported to Western Europe, or an increase of 137 percent over the corresponding period of 1994. As a result, Western Europe has emerged as the number one export market for Korean-made cars replacing North America, in which our automobile exports decreased by 2.4 percent. Automobile exports to developing countries, which have entered an era of motorization, also markedly increased.

In particular, automobile exports to Brazil, Chile, and other Latin American countries exceeded the 100,000-car mark, a drastic increase of 75 percent.

Our auto exports in the second half of the year are expected to keep the upward trend of the first half year. This prediction is based on the fact that the new models, such as the Accent, Abella [phonetic], Cielo, and Sonata II, are getting an increasingly wider recognition in overseas markets, as well as on the assumption that the value of the Japanese yen—which, more than anything else, holds the key to our auto exports—will remain strong in the second half.

The value of the won, our currency, which has appreciated since last year, is expected to continue to appreciate

in the second half of the year, but not to the point of weakening the competitiveness of our automobiles. This is another factor that supports the prediction that our car exports will be on the increase. Therefore, barring some extraordinary change, our automobile exports this year are expected to exceed the 1 million mark for the first time.

The recent upsurge in our automobile exports may be attributed essentially to the following two reasons:

First, the super strong yen of Japan, our rival, has markedly increased the price advantage of our automobiles over Japanese cars. According to AUTOMOTIVE NEWS, the price of the 1995 models of the Accent and the Abella (its export model is called Aspire) on the U.S. market is \$8,079 and \$8,440 (the basic 3-door hatchback model), respectively. These two models are 26.3 percent and 20.8 percent cheaper, respectively, than the comparative Japanese model, Toyota Tercel. The 1995 model Elantra is 15.1 percent cheaper on an average than the comparable Japanese models, Toyota Corolla, Honda Civic, and Nissan Centra. The mid-size Sonata is 20.7 percent cheaper than the corresponding Toyota Camry.

Second, given the motorization trend in developing countries, our automobile exports to them are expected to rise.

In the 1985-1993 period our accumulated car exports to North America, Europe, and Japan increased a puny 0.5 percent whereas the exports to developing countries increased by 7.9 percent to 8.21 million cars from 4.48 million cars.

Reflecting this trend, the ratio of our automobile exports to developing countries in Latin America, the Middle East, and Africa to our total automobile exports soared from a mere 6 percent in 1988 to 53 percent in 1993 and 44 percent in 1994. Thus automobile exports to these countries account for about half of our total automobile exports. In the first half of 1995, the developing regions accounted for 45 percent of our total automobile exports, indicating that these regions are the driving force behind our current automobile export boom.

By contrast, the ratio of our automobile exports to the United States, which was the leading importer in the past, to our total auto exports plummeted from 85 percent in 1988 to 28 percent in 1992 and 19.4 percent in 1993. The ratio increased to 28 percent in 1994 but fell to 22 percent in the first half of 1995.

New Cars' High Rate of Problems

According to J.D. Power & Associates' initial quality survey [IQS] this year, Korean-made cars ranked at the

bottom among all cars surveyed with the highest number of problems. The average number of problems per 100 cars of each model sold in the United States, including imports, significantly dropped from 110 in 1994 to 103 in 1995. But the average number of problems per 100 cars of each model made by Company A in Korea increased from 193 in 1994 to 195 this year. The number of problems per 100 cars of each model made by Company B in our country was 295. Company B was at the bottom of the heap next to Company A among all cars surveyed.

The April 1995 edition of CONSUMER REPORTS also rated Korean-made cars very low compared with their foreign rivals in terms of safety in accidents. It included Korean-made cars in the list of used car models that it said should be avoided.

Judging from all this, it becomes apparent that our automobile exports have relied on low prices rather than quality. The seriousness of the problem lies in the fact that it is possible for the low quality automobiles to hamper the sustained pace of increase in their exports. This possibility is borne out by the fact that our automobile exports to the United States plummeted to 120,000 cars in 1992 and 110,000 cars in 1993 after peaking in 1988 at 480,000 cars.

This indicates that most of the American consumers who had bad experiences with the poor quality of their Korean-made cars switched to rival vehicles when they replaced their old cars in 1992 and 1993.

Therefore, unless the quality of our cars is improved, the consumers in Europe, which has recently emerged as the largest export market for Korean cars, may quickly turn away from Korean-made cars after our automobile exports have peaked.

The reason is that as is well known, in the case of compact passenger cars, which are our leading export models, consumers attach more importance to the price than the quality in making a decision to buy. Unlike consumers in developing countries, consumers in industrialized countries who seek safety and comfort attach as much importance to the quality.

Still Weak in New Model Development Capacity

The competitiveness of cars is primarily determined by the price and quality. But price and quality are greatly influenced by the structure and quality of the markets of the production factors, such as manpower, technology, and parts. In other words, it may be said that in the long run the international competitiveness of automobiles is determined by the dynamic competitiveness of these factors of production. As far as assembly techniques are concerned, the technological level of our auto industry

is practically on a par with that of its foreign rivals. But it is still far behind industrialized countries in terms of product development capacity. For instance, it takes our auto industry 52 months on an average to develop a new car model, compared with 36 months for Japan and 48 months for the United States.

In some cases, some of our auto manufacturers contract specialized foreign service companies for the styling and design of a new platform. Accordingly, if they are to do their own styling and platform design, the time required for the development of a new model would be much longer than 52 months.

The number of new car models developed by our manufacturers in the past 5 years is 11, compared with 72 for Japan and 21 for the United States in the 1982-1987 period.

Given the prospects for increasingly diverse consumer preferences and faster progress in technology, the ability to develop "more" new models "faster" will become more important in future competition in the automobile market under this changing environment of competition.

Furthermore, the development of new car models in itself will have a great impact on the quality and prices of automobiles. In the cases of Clark and Fujimoto, the productivity and quality of a new model determine as much as 80 percent of the stage of its development.

For the Korean auto industry, the productivity of parts greatly influence the competitiveness of finished cars, with as much as 65 percent of parts imported from overseas on the manufacturing cost basis. But the level of productivity and quality of parts manufacture is low compared with those of foreign rivals. In fact, our parts manufacturers' ability to make their own designs is particularly low.

Let us first examine the extent of the use of machinery and the time spent in changing metal molds [kumhyong kyohwan sigan], the two factors directly involved in auto manufacture.

The number of machines per worker in our auto parts industry is 1.4, much smaller than Japan's 7.4 and even the United States' 2.5. The time spent in changing the molds is 48 minutes, shorter than 114 minutes in the United States but much longer than the 8 minutes in Japan.

This means that the productivity of auto part manufacturers in our country is very low. Of our auto parts manufacturers, only 33 percent do their own design, a percentage much lower than the comparable percentage of 70 percent in Japan. This weakness works as an

added drag on the development of new models by our finished car manufacturers.

Because the structural vulnerabilities of our auto parts industry, such as its low productivity and technical standards, operates as an impediment to the strengthening of the competitiveness of our auto industry as it hampers close cooperation between parts suppliers and assembly plants in terms of cost reductions, quality control, and timely parts supply.

Auto Export Boom May Spur Market Opening Pressure

In the wake of the recent settlement of the U.S.-Japan automobile negotiations, the United States is expected to increase pressure on the ROK for more market opening.

Despite the fact that the ROK agreed to most of the U.S. demands for market opening last year, the share of imported cars in the ROK automobile market still remains as low as 0.2 percent (3.3 percent for Japanese cars), and the export of Korean-made cars this year is expected to exceed 1 million cars. Against this background, industrialized countries are watching Korea more closely for fear of its becoming another Japan.

In future ROK-U.S. automobile negotiations, it is highly possible that of the points negotiated last year, the U.S. side will demand: 1) an additional reduction in the current 8 percent tariff on imported cars; 2) the abolition of engine displacement-based differential tariffs on imported cars. In its recent automobile negotiations with Japan, the United States demanded increased purchases of American-made parts and sales of American-made cars through Japanese domestic car dealerships. As things stand now, the probability that the United States will make similar demands in future negotiations is slim. However, if the current trend of rapidly increasing car exports continues, the possibility of making such demands cannot be ruled out.

But our automobile exports to the United States dropped from 480,000 in 1988 to 210,000 in 1994 and 110,000 in the first half of 1995, where the import of American-made cars has been on the upward trend. The number of imported American-made cars increased by 1,957 in 1994, or an increase of 33.5 percent, and by 1,271 in the first half of 1995, or an increase of 75 percent. In fact, this, we would say, makes the logical ground of the U.S. demand for further market opening tenuous. Given the increased competitiveness of the U.S. auto industry, our imports of U.S.-made cars are expected to increase automatically, without any further U.S. demand for market opening.

Trade issues between the ROK and the United States are essentially different from those between the United

States and Japan. The Japanese auto industry is so wide-based that it can afford to expand the purchase of U.S.-made parts. On the contrary, with no transplanting overseas at all, it is not an easy task, as a practical matter, for our auto industry to purchase U.S.-made auto parts. In addition, the structural vulnerabilities of the ROK automobile parts industry, such as the low levels of technology and productivity, are by and large the result of the smallness of its scale which is below the optimum level. Accordingly, some day when the United States demands that we purchase U.S.-made auto parts and if the ROK accepts the demand, it would only further weaken the foundation of our auto parts industry.

On the other hand, the EU—which has emerged as our largest automobile export market with its import of Korean-made cars more than doubled in the first quarter of the year—is expected to increase market-opening pressures on Korea as the United States is doing now. [passage omitted]

Our total automobile exports increased by 55 percent in the first half of the year, but exports to the United States increased by a puny 2 percent. The number of automobiles sold in the U.S. market in the January-April period in 1995 decreased by 8 percent from the corresponding period of 1994, but the imports from Japan dropped by more than 20 percent in the same period—an indication that Americans are buying more and more U.S.-made cars.

Restructuring of Export System, Parts Industry Needed

In conclusion, the current auto export boom may be attributed mainly to the favorable turn in external conditions, such as the strong yen and the increasing motorization trend in developing countries, while there has not been much improvement in the internal bases of competitiveness, such as improvements in quality and technology. Accordingly, unless the internal bases of competitiveness of our auto industry are improved, the current export boom could turn into a sudden bust the moment the effects of the strong yen weaken, just as our auto industry experienced in the latter part of the 1980's.

The auto industry should consider this contingency: If our auto exports keep the current pace of rapid increase, and in particular, the export of automobiles this year exceeds 1 million cars, not only will there be increased pressures from advanced countries for the opening of our automobile market but also there will be unnecessary restrictions on our auto exports in overseas markets. Therefore what our auto industry should do at this moment is to shift its current volume-oriented

export strategy to one based on profitability from the long-range point of view of securing international competitiveness. In other words, it seems desirable to take into account those factors which give Korean-made cars a competitive edge in export prices so that our auto industry may turn the current boom into an opportunity to improve its profitability structure.

At the same time, for the purpose of maintaining a stable pace of increase in automobile exports, our auto industry needs to strengthen its internal competitive qualities so that it may manufacture inexpensive but good quality cars. The most important thing to do to this end is the restructuring of our auto industry by, among others, strengthening its product development capability,

rationalizing the methods of parts procurement, and improving work methods.

Above all, to upgrade its product development capability, our auto industry needs to build an effective research development system to maximize development productivity and also widen participation by parts manufacturers in the development of new car models. In addition, for the purpose of strengthening the feeble foundations of the parts industry, it is imperative to revamp the present exclusionary *keiretsu* management system based on control through interlocking business ties and multiple subcontracts, so that assembly firms may increase support for and cooperation with parts makers.

Brunei, Malaysia & Singapore**Malaysia****Army Plans To Buy Sophisticated Equipment**

BK1209074095 Kuala Lumpur NEW STRAITS TIMES in English 9 Sep 95 p 4

[FBIS Transcribed Text] Desaru Fri — The Defence Ministry will buy more advanced and sophisticated equipment for the army to ensure it is well equipped.

Its Minister, Datuk Syed Hamid Albar, said: "The allocation for the purchase of equipment will be made in next year's Budget."

He was speaking to reporters after witnessing the Starburst missile training exercise in Tanjung Siang near here today.

Also present were his Deputy Datuk Dr. Abdullah Fadzil Che Wan and Defence Ministry Secretary General Tan Sri Kamaruzzaman Shariff.

Syed Hamid said the authorities were now identifying the army's requirements.

He said, however, this did not mean that the Royal Malaysian Navy and the Royal Malaysian Air Force would be neglected.

"The Government is satisfied with the development of the navy and the air force... they have been fairly well upgraded and improved with equipment and weapons, it is now the time for the army to be upgraded.

"This will allow the three forces to complement one another in defending the country."

Syed Hamid said upgrading the nation's military did not mean that the country wanted to go to war, but for security purposes, it was important that other countries realised that Malaysia had the latest technology and arms to defend itself.

On the three-day Starburst missile exercise, Syed Hamid said the training was a success and the respective forces' air defence units had shown their expertise in handling the missiles and related equipment.

The Starburst missile system was purchased from UK-based Shorts Missile System Ltd in 1993.

'Errant' Internet Users Face Loss of Scholarships

BK1109105095 Kuala Lumpur THE STAR in English 11 Sep 95

[Report by Jacqueline Teo — received via Internet]

[FBIS Transcribed Text] Johor Baru—The Education Ministry will not hesitate to terminate the scholarships

of overseas students if they are found to be using the Internet to spread false information about the country.

Minister Datuk Sri Najib Tun Razak said yesterday the ministry would investigate to determine what information were being spread through the Internet and the number of students involved.

"If we find that they are using the Internet to disseminate false information and undermine the image of the nation, then we will take the appropriate action," he said.

He said that prompt action would be taken against such errant government students.

He added that it would be difficult for the Government to take action if private students were involved as they were not subjected to the Education Act.

He was responding to a statement by Information Minister Datuk Mohamed Rahmat on Saturday that the Government was closely monitoring the activities of students misusing the Internet to smear the country's image.

Mohamed had said that the number of such cases was on the rise in the United States and Europe, and that the disinformation bordered on racism.

Najib said despite the alleged misuse of Internet, there were also other students who used the so called "Information Superhighway" to spread positive information about the country.

"We also have students who are supporting the country and use the Internet in a positive manner by telling good stories about the Government and campaigning our purpose," he added.

Cambodia**Prince Ranariddh Discusses Political Issues**

BK1209074495 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 12 Sep 95 p 1

[Report by Nusara Thaithawat from Phnom Penh]

[FBIS Transcribed Text] Cambodian First Prime Minister Prince Norodom Ranariddh has called on all political parties in his country to take a common stand on the composition of the government to be formed after the next general election in 1998.

"All parties should have, right now, a very clear stand in saying that it must be a coalition government again with one prime minister," said Prince Ranariddh.

He conceded that taking an early stand on the issue, three years before the next election stipulated in the constitution would ensure much-needed political stability to

attract foreign investment and tourists and to rebuild the country after decades of war.

It would also complement the stabilising and unifying force of King Sihanouk, and the "real determination" of the two main political parties — the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the CPP [Cambodian People's Party] — to work together, he said.

"Cambodia needs at least 10 years of stability for the country, for investors, for foreign countries willing to help us," said Prince Ranariddh, urging all parties to commit themselves to "democratic and equitable elections".

He claims he has the support of his main coalition partner — the Cambodian People's Party as well as from the smaller Buddhist Liberal Democratic Party (BLDP) under its new president Ieng Muli.

"Hun Sen on behalf of CPP agrees with or favourably responded to my proposal," he said.

Prince Ranariddh said Information Minister Muli has agreed to his proposal, which was put to him when he visited the prince to introduce the new members of the steering committee of the BLDP on August 31.

"He told me that his party agrees with my proposal in setting up another coalition government," the prince said.

Muli took over the presidency of the BLDP at a controversial party congress he convened in July, which was boycotted by supporters of BLDP founder Son Sann and his son, Soubert.

Father and son, and their supporters in the party which they founded, are going ahead with their own congress set for October 1.

As for an Opposition, Prince Ranariddh said: "Yes absolutely, we will definitely allow. I prefer an Opposition inside the National Assembly rather than to have one or two men who travel around the world and talk badly about Cambodia."

The prince was apparently referring to outspoken Sam Rangsai, former finance minister and FUNCINPEC MP for Siem Reap who has been travelling to Australia and Europe to provide evidence of corruption by the government.

The United Nations spent US\$2.3 billion (57.5 billion baht) and sent 22,000 personnel to organise the first multi-party general election in two decades in Cambodia.

It was the first so-called comprehensive peace plan in which the UN took over the administration of a country, placed 70 per cent of each warring faction's armed forces in cantons and organised general elections.

More than 90 per cent of eligible voters went to the polls. The royalist FUNCINPEC won 58 of the 120 seats in the National Assembly.

But pragmatism by King Sihanouk to avert what many then feared would be a return to civil war if the CPP was excluded from the government, saw Cambodia adopt a unique system, with two prime ministers and no Opposition in the assembly.

"Currently, there is no Opposition because the two major parties, CPP and FUNCINPEC, are part of the coalition, even the small party of H.E. Son Sann or Ieng Muli is in the coalition.

"But let's say in the future, if there are any other parties which do not have the majority, yes, absolutely, we will definitely allow a legal opposition in the framework of the National Assembly," he said.

In the lead up to the May election in 1993, there were 20 parties, an unprecedented development in Cambodia which has been under a one-party system for decades.

But most have folded up, unable to sustain their activities for both financial and political reasons.

And even the BLDP is in trouble. It was formed in 1991 from the Khmer People's National Liberation Front which had fought alongside FUNCINPEC and the Khmer Rouge in a UN-recognised tripartite coalition against the Vietnamese occupation and the so-called Phnom Penh regime.

As for the Khmer Rouge, Prince Ranariddh said the guerrillas were no longer a major problem for the government, which has taken an approach similar to that adopted by Malaysia and Thailand, in using development as the weapon against insurgency.

"We should not use armed forces. The best weapon against the Khmer Rouge is victory against poverty. When people are poor, it is difficult to resolve the Khmer Rouge problem."

He claimed the approach was proving successful to a certain degree with more and more defections from leadership level.

"The Khmer Rouge leadership is very divided. They are more and more isolated from the Cambodian people and from the outside," he said.

"They are outdated people. Now in Asia, the real fight is against poverty and to be really a part of ASEAN, how to match Thailand's level of development."

The prince said that by law there was no possibility for Khmer Rouge leaders to join the government and no possibility for talks.

"We have nothing to say."

Khmer Rouge followers were welcome to join the national community and even set up their own political party and newspaper.

Prince Ranariddh said Cambodia was looking forward to becoming a full member of the Association of Southeast Asian Nations in two years and to actively participating in the Greater Mekong Subregional Economic Cooperation scheme.

"We want to be part of ASEAN, but we want to be part of the Greater Mekong Subregion.

"Thailand is the most developed. We don't want Thailand to take advantage alone of this new integration", which would not compete with ASEAN but offer a new approach to regional integration and development through specific infrastructure projects.

The Asian Development Bank (ADB) is the brain behind the cooperation scheme for land, air and water links among the six countries along the Mekong River — China (Yunnan province), Burma, Laos, Thailand, Cambodia and Vietnam.

At a recent meeting in Phnom Penh, Cambodia proposed a new road to link Thailand, Cambodia and Vietnam along the Thai-Cambodian border and the Cambodian coast to the Vietnamese border.

The proposal will come before a ministerial meeting next month at the ADB's headquarters in Manila.

The Bangkok-Phnom Penh, Ho Chi Minh City-Vung Tau road project is in its final stage of planning and work is expected to start next year.

The six countries are also working to harmonise their customs and immigrations procedures to help the flow of goods and travel in the region.

Khmer Rouge Criticize Government on Land Issue
BK1209084795 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 11 Sep 95

["News conference by Mak Ben, minister in charge of rural areas, agriculture, and water conservancy and representative of the Provisional Government of National Union and National Salvation, on 11 September;" place not given — recorded]

[FBIS Translated Text] [Mak Ben] I would like to inform compatriots about the meeting held by the cabinet of the Provisional Government of National

Union and National Salvation [PGNUNS] on Monday, 11 September, as follows:

On 11 September the PGNUNS cabinet closely examined and discussed the issue of the land that the communist Vietnam and the communist Vietnamese puppets' administration have sweepingly plundered from the people. Our PGNUNS have always paid attention to the problem of the people's land.

According to reports everywhere, land is a serious problem affecting the life and death of the entire Cambodian nation, people, and race at present, in the future, and of generations to come.

Our people in all provinces, districts, communes, and villages have been robbed of their land, including their ricefields, orchards, and houses, by the administration of the communist Vietnamese puppets. Many millions of people have been totally robbed of their land by the communist Vietnamese puppet administration. They have even been deprived of a small chunk of land for their houses to be built on. As for the state and public land in Phnom Penh, in small and large cities, in provinces, and in districts, they have also been totally seized by the enemies.

Who are the chief robbers of the people's land? They are:

1. The nation-betraying two-heads and the communist Vietnamese puppets' administration. The two-heads, as the out-and-out lackeys of communist Vietnam and the alliance, have never cared about the interests of the nation and people. The only thing they have done is to serve communist Vietnam and the alliance who are their masters. The two-heads only think about fuelling the communist Vietnamese war massively to kill the nation and people; selling out the nation; plundering, slashing the throat, and peeling the skin of the nation and people; and robbing the people of their land, ricefields, orchards, and houses in wholesale fashion. The village, commune, district, and provincial administrations, the Army, the police, the two-heads, and the Hun Sen clique have all done the plundering. They have robbed the people's land, and shared it out amongst themselves or with their family members or associates. They have sold them to unscrupulous merchants who have come to compete greedily to devour the flesh and suck the blood of the nation and people.

2. Communist Vietnam and the over four million ethnic Vietnamese. They have seized the territory in eastern Cambodia in chunks. They have also robbed and portioned off millions of hectares of land deep inside the country. Although it painstakingly waged a military war for 13 years, communist Vietnam was

not able to wolf down and swallow Cambodia. It was defeated by the resistance forces of the Cambodian nation and people in a most shameful manner. So, it has resorted to the strategy of waging a demographic war by injecting ethnic Vietnamese into Cambodia, like water gushing down from a broken dam, to wolf down and swallow the territory, the people, economy, and everything the same way it swallowed Kampuchea Kraom [ancient Cambodian territory lost to Vietnam in the 17th century].

3. The alliance and the group of unscrupulous merchants. They have come and joined communist Vietnam and the two-heads to further fan the flames of the communist Vietnamese war, to plunder and peel the skin, to devour the flesh, and to suck the blood of the Cambodian nation and people with their enormous fangs. In just over a few years, they have plundered our nation and people of their land and assets like ghouls or vultures guzzling down carrion. They are competing to occupy land in and around Phnom Penh and in Kompong Som, the seas, islands, territory, and forests in the millions of hectares. They have been given the right of occupation in 70-year or 90-year contracts by the two-heads — the out-and-out lackeys of communist Vietnam and the alliance — who have auctioned the territory to them. This is a true and flagrant selling out of the nation.

Both old and new enemy aggressors and the administration of the nation-betraying, nation-selling, and most corrupt two-heads have robbed land, in a wholesale manner, and deprived the people of the means to earn a living. The people's living conditions have plunged to the bottom. Five million of the nine million Cambodians have been starved to death in a shocking and horrible manner. The starvation has prompted our people to question themselves: Should they remain with their arms folded and die like a (?pig) or should they stand up and fight the two-headed regime for their survival?

They have answered that they do not want to die, that they want to live. This is why the people have risen up and struggled vigorously to protest against the land issue everywhere. The struggles that have taken place across the country have become a movement of scorching protest mounted by the masses and people to demand the return of and the right to own land. They have clashed with village, commune, district, and provincial authorities and have even travelled to Phnom Penh to demonstrate in front of Hun Sen's house and in front of the nation-betraying two-headed National Army, which is the out-and-out lackey of communist Vietnam and the alliance. The movement launched by the people to air their grievances on the land problem is spreading like bushfire. The two heads can never hold it back. The people have staged a resolute struggle because they do

not want to be killed. They will continue to struggle for their survival. Only with their plots of land can peasants sustain the livelihood.

The National Union Party [NUP] and the PGNUNS resolutely support the struggle of the people to reclaim their land and their right to own land with which they make a living. The NUP has clearly specified its stand on the land issue in its political platform. Our NUP firmly maintains its constantly unswerving stance that the people are entitled to own land, ricefields, and orchards on which they live and with which they make a living within a multiparty democracy and a market economy. The people should have full and absolute rights to all their land robbed by the enemies. These include the parcels of land plundered by the two-headed administration, communist Vietnam, ethnic Vietnamese, and the companies of the unscrupulous merchants. The grass-roots province and district committees of the PGNUNS have been advised to pay constant attention and closely unite with our people to implement the above stance with the highest sense of responsibility.

This is the main substance of the 11 September cabinet meeting I would like to report to all my compatriots.

[Correspondent] Thank you, Excellency. I, the representative of PGNUNS radio, would like to ask the following question: A few days ago the representatives of over 2,000 families in Kroch Chhma and Stoeng Trang District [Kompong Cham Province] came to protest in front of Hun Sen's house in Phnom Penh. Could you elaborate on this incident?

[Mak Ben] Yes, the problem of people being deprived of their land by the two-headed vultures at present has most seriously affected the life and death of our entire Cambodian nation, people, and race. The enemies have robbed the people of all their land, leaving them nothing on which to make a living. The people have protested, but the government has not come up with any solution. The only thing it has done is to persecute the people further. The people have repeatedly aired their grievances with village and commune administrators but the latter have not managed to solve any of their problems. They have instead threatened, arrested, bitten, kicked, jailed, and executed the people. They have forcibly drafted and sent them to fight as soldiers and militia. They have also commandeered them to carry out hard labor in the most fascist manner. When the people protested, the district and province administrators have done nothing but intimidate them. They have gone so far as to gun them down to destroy evidence.

The people now go to Phnom Penh to protest in front of the two-headed National Assembly and Hun Sen's residence because they have clearly seen that all the

troubles have been caused by Hun Sen, who is the notorious ringleader of the communist Vietnamese goons. This is why the people from Kroch Chhma and Stoeng Trang District demonstrated in front of the two-headed National Assembly and Hun Sen's house. The people from Prey Veng, Svay Rieng, Takeo, Kandal, Kampot, Kompong Speu, and Kompong Chhnang Provinces and so on, have also protested in front of the two-headed National Army and Hun Sen's house.

The people have said that they and communist Vietnam's administration, like a tiger and a calf, cannot talk to each other. The communist Vietnamese administration is a tiger while the people are a calf. The tiger eats the calf.

The true nature of the two-headed administration as the out-and-out communist Vietnamese lackey is as fascist as that. This is why our entire nation and people can no longer remain patient. They have joined forces in carrying out struggles in Phnom Penh and the countryside. The overseas Cambodians have done likewise. The nation and people have all struggled with a view to having a genuine national government with a national conscience that cares about the interests of the nation and people and that tries to help the people own land, ricefields, and orchards with which they can start making a normal living.

The people are struggling to terminate the two-heads and war, to achieve peace, and to own land, ricefields, and orchards on which they can plant crops for their stomachs, thereby preventing themselves from being starved to death and the Cambodian race from being wiped out like Kampuchea Kraom.

Indonesia

Offer To Host Balkans Summit 'Remains Open'

*BK1109115095 Jakarta ANTARA in Indonesian
0804 GMT 11 Sep 95*

[FBIS Translated Excerpt] Jakarta, 11 Sep (ANTARA) — Foreign Minister Ali Alatas has reiterated that Indonesia's offer to facilitate a meeting on Bosnia among the leaders of Serbia, Croatia, and Bosnia remains open, even though some progress was made at the recent Geneva meeting initiated by the United States.

"We support and welcome what has happened, but our offer to host a meeting on Bosnia in Indonesia remains open, even though other things have preceded the event," Alatas told journalists at the Foreign Ministry today following the installation of eight heads of Indonesian missions overseas.

Alatas said the journey towards peace in Bosnia was still far from finished because the agreement that has been reached only covers basic problems. "Negotiations must be conducted on a number of sensitive problems and I think these are going to be very serious negotiations. We support what has been achieved, therefore, but we must be cautious regarding follow-up developments," Alatas said. [passage omitted]

"Let us wait and see how fruitful the U.S.-initiated peace process is. Let us wait," Alatas added.

On the visit by Madeleine Albright, U.S. ambassador to the United Nations, to Jakarta to meet with President Suharto and himself, Alatas said their discussions will revolve around the issue of UN reform. Alatas said Indonesia and the United States have similar views that UN reform should be aimed at creating a United Nations that is more efficient, authoritative, and fulfilling.

"It should be able to fulfill the aspirations of the world's people for conflict settlement, international peace, and fair economic progress," he said.

Alatas has said there are several specific ideas and programs that can be developed to intensify the role of the United Nations. [passage omitted]

ABRI Chief Sees Off Troops for Bosnia

*BK0809140095 Jakarta ANTARA in Indonesian
1020 GMT 8 Sep 95*

[FBIS Translated Excerpt] Jakarta, 8 Sep (ANTARA) — General Feisal Tanjung, the Indonesian Armed Forces [ABRI] commander, has said that the Garuda Contingent XIV-C troops are to perform their peacekeeping duty in Bosnia-Herzegovina based on the United Nations mandate, that is, not to react independently in retaliation to any attacks or aggressions.

Gen. Feisal Tanjung said this after he inspected a farewell parade to mark the departure of the Garuda Contingent XIV-C army unit for Bosnia-Herzegovina at its base in Bandung today. [passage omitted on UN peacekeeping mandate]

Addressing the 470 personnel of the contingent, Gen. Feisal Tanjung said that they had been entrusted with a heavy responsibility, one they had never undertaken before in their homeland. Besides, it would be very challenging for them to work in a place with a climate that is totally different from where they come from, and this would greatly influence the troops' performance there. [passage omitted on situation in Bosnia]

Gen. Feisal Tanjung expressed his confidence that the Indonesian troops would carry out their duty well and

safely, as well as create a good reputation for the ABRI personnel in Bosnia-Herzegovina.

Gen. Feisal Tanjung was accompanied by several officials from ABRI headquarters when he went to visit the contingent's personnel prior to their departure for peace-keeping duty in Bosnia-Herzegovina on Tuesday, 12 September. [passage omitted on equipment dispatched in July]

Minister Briefs Media on Albright-Suharto Talks

BK1109110195 Jakarta ANTARA in Indonesian
0704 GMT 11 Sep 95

[FBIS Translated Text] Jakarta, 11 Sep (ANTARA) — President Suharto told Madeleine Albright, U.S. ambassador to the United Nations, that the incidents in East Timor's capital of Dili last week only involve SARA [ethnic, religious, and racial problems and imbalance of equality in society] and are totally unrelated to any political issues.

After accompanying President Suharto in receiving Albright at the Merdeka Presidential Palace in Jakarta today, Foreign Minister Ali Alatas told journalists that the subject of the riots in East Timor was raised during the nearly one-hour meeting between the head of state and his guest. He said President Suharto also told Albright that two battalions of the ABRI [Armed Forces of the Republic of Indonesia] have started to withdraw in stages from Indonesia's youngest province.

Albright told journalists that the Clinton administration highly appreciates the tripartite talks involving the Indonesian Government, Portugal, and the UN secretary general. Ali Alatas and Portuguese Foreign Minister Durao Barroso have met several times to discuss the East Timor issue. UN Secretary General Butrus Butrus-Ghali was also present at the meetings. "The U.S. Government really appreciates President Suharto's policy on development and the expansion of economic development in East Timor," the U.S. ambassador said.

Shortly after sending his guest to the guesthouse, Ali Alatas expressed the hope that the incidents in Dili last week will not cause any problems overseas. "Hopefully, the people who made a big issue out of these incidents can be identified, brought to court, and dealt with in accordance with the law," Ali Alatas said. He said that such incidents happen in other countries, not just in Indonesia.

During her meeting with President Suharto, Albright explained the efforts to settle the conflict in Bosnia-Herzegovina and the UN Security Council sanctions against Iraq.

Iraqi Envoy Responds to Albright's Remarks

BK1209032995 Jakarta SUARA KARYA
in Indonesian 12 Sep 95 p 10

[FBIS Translated Excerpt] Jakarta (SUARA KARYA) — It is not proper to hold the international community (the UN and the United States) responsible for the terrible deaths of 20 percent of Iraqi children as a result of the UN's sanctions. The Iraqi Government itself must be held responsible for the tragedy and it takes time to lift the sanction. Madeleine Albright, U.S. ambassador to the UN, said this to reporters after she spoke with Foreign Minister Ali Alatas in Jakarta on Monday afternoon. [passage omitted on Albright's remarks]

However, Albright's remarks drew a strong response from Iraq's Ambassador to Indonesia Dr. Sadun J. Zubaydi [name as published] when the latter was given a chance to speak. Sadun accused Albright of being unable to distinguish between the Iraqi people's hardships and politics.

Telling Ties

Commenting on Albright's remarks about the U.S. concept for a United Nations capable of serving as a global cooperation forum, Sadun said: "I do not believe what she said." The Iraqi ambassador, who only recently assumed his post in Indonesia, is not convinced that the United States would not try to dominate the UN.

The two officials from the two "hostile" countries seemed to have the opportunity to display their animosity during the occasion. "Your country dominates the UN. Do you also want to dominate this forum?" said Sadun when he felt his speaking time was disrupted.

Albright said Iraq has been lying to the international community for the past four years. [passage omitted on Albright's remarks]

Suharto Urges Monitoring of Iraqi Situation

BK1209070795 Jakarta KOMPAS in Indonesian
12 Sep 95 p 1

[FBIS Translated Excerpt] Jakarta, KOMPAS — President Suharto has called for the constant monitoring of developments in Iraq due mainly to the emergence of a clearer picture there following the defections that have undermined the Iraqi Government. The UN Security Council will have to reconsider the matter.

Foreign Minister Ali Alatas briefed reporters on the matter after accompanying President Suharto in talks with Mrs. Madeleine Albright, U.S. ambassador/permanent representative to the United Nations in New York, at the

Merdeka Palace in Jakarta on Monday (11 September). [passage omitted on Albright remarks at news conference]

Foreign Minister Alatas added that Indonesia should monitor developments at the UN Security Council following the new situation in Iraq. Iraq concealed something and revealed it only after the defections. "The president did not comment much on the matter. We will continue to monitor the situation," Alatas said. [passage omitted on Albright remarks at news conference]

Australian Minister Discusses Flag-Burning

*BK0809135595 Jakarta FORUM KEADILAN
in Indonesian 11 Sep 95 p 103*

["Excerpts" of interview With Australian Foreign Minister Gareth Evans by correspondent Dewi Anggraeni; place and date not given]

[FBIS Translated Text] [Dewi] Indonesia-Australia relations seem to be going through a turbulent period, starting from the Mantiri case to the burning of the Indonesian flags. Is Australia seriously considering such problems?

[Evans] It is true that on the current course we are not running on an even keel, but I hope these problems will be only short-lived. The relations between the two countries are too secure and strong to be shaken by only a few groups of protesters. At the governmental level, the commitments on foreign affairs, economy matters, and defense are still very strong. Each side is well aware that the downgrading of relations will bring about mutual loss.

As frequently stated by Ali Alatas, we regard our relations as a vessel equipped with a powerful ballast [preceding word in English] and which cannot be overturned by strong gusts of wind. So, what we are experiencing now is the effect of the strong gusts of wind.

[Dewi] Are Australia and Indonesia overreacting? Or is the mass media sensationalizing the issue?

[Evans] In my opinion, the mass media is not sensationalizing the issue. I sincerely acknowledge that Indonesians are infuriated, particularly with the burning of the country's flags. What is more important now is that we must be cautious and not let our relations deteriorate further.

[Dewi] In your own words, how would you explain the Australian Government's position regarding the flag-burning incidents?

[Evans] We profoundly regret the flag-burning incidents. It is clear that the action has created much anx-

iety and was deliberately carried out to further enrage the Indonesians. Such actions are provocative and could possibly disrupt our bilateral relations.

Generally speaking, I think Australians are not very sentimental about their country's flag. The reason could be that Australians were never really involved in the struggle for their country's independence or it could be that the Union Jack (the British flag) is still included at the corner of the Australian flag. Whatever the reason may be, Australians are not as emotional as the Indonesians or any other race regarding their flag.

So then, even though we understand the situation, given the traditional democracy and freedom of expression, we are reluctant to curtail such a freedom by imposing a ban on protests. Besides, there is also a provision enshrined within the law on public order that could be enforced to negate the burning of flags in a given situation. Our security officials have become more aware of Indonesia's concern over the protests. It is hoped that they will be more vigilant and successful in preventing such incident from recurring in future.

[Dewi] What is the solution for the problem regarding the current vacant Indonesian ambassadorial appointment? Should the ambassador to Australia be a nonmilitary personnel?

[Evans] I think such a decision is not the solution to the problem. What is important is that the potential ambassador should be an official who is independent and capable of developing further what has been achieved so far. Therefore, the decision definitely and absolutely rests with Indonesia to select the most capable candidate.

[Dewi] Should the candidate not be involved in certain incidents in East Timor?

[Evans] Ah, I would prefer not to discuss that issue further. The statements I made previously on the issue were misinterpreted by the media. I therefore have no comments to make regarding the issue.

[Dewi] The groups that support East Timor constantly allege that the Australian Government is being hypocritical by signing the East Timor Gap agreement on the one side while encouraging the East Timorese to determine their own destiny on the other. What is your opinion?

[Evans] I don't see any hypocrisy in such cases. We accepted the Portuguese rule previously; and now we accept Indonesia's rule. However, during the Portuguese rule, we stated that the people of East Timor should have the right to determine their own destiny. Our stand

has not changed regarding East Timor from the time Indonesia took over. The definition of "determining one's destiny" rests with the UN jurisdiction. This definition has currently become the source of negotiation between Indonesia and Portugal. Moreover, we always endorse peaceful methods in any efforts toward solving any issue.

[Dewi] Does Australia feel committed to accepting any refugees from East Timor? Could such an action aggravate the relations between Indonesia and Australia?

[Evans] We have never accepted any of them as refugees. What we are talking about concerns two groups. A thousand of them came with tourist visas while the other 18 were "boat people." Not one of them was granted refugee status. On the issue of the 18 "boat people," they were taken out of the detention center because of their health and medication was not available there. They need to stay with their own kind while waiting for their request for asylum to be approved. Moreover, not one of them was granted refugee status. So, we will cautiously investigate and adhere to international legal procedures before granting refugee status to any of them.

[Dewi] If you were given a magic wand, what factor causing turbulent relations would you wish to get rid of?

[Evans] The East Timor problem. Period.

Army Breaks Up Demonstration at French Embassy
BK1209081395 Hong Kong AFP in English
0444 GMT 12 Sep 95

[FBIS Transcribed Text] Jakarta, Sept 12 (AFP) — Baton-wielding security forces dispersed about 20 people Tuesday who were protesting against French nuclear tests outside the French embassy here.

Two protestors resisted and were forcibly taken by car to an unknown location.

The protestors, from the Anti-Nuclear Indonesian Society, unfurled anti-nuclear posters calling French President Jacques Chirac "barbaric" and two long cloth banners with the signatures of many anti-nuclear supporters.

The group "strongly condemned" French testing and what it called French "arrogance" for ignoring the widespread protests against the tests.

It also called for a boycott of French products and asked the government to review its diplomatic relations with France.

Demonstrators were pushed by a dozen army members and an equal number of policemen to a nearby shopping

centre and then shoved into several taxis and told to leave.

Dailies Condemn French Nuclear Test in Polynesia
BK0809121995

[FBIS Editorial Report] Two Indonesian-language dailies carry editorials condemning the French nuclear test.

Jakarta SUARA PEMBARUAN on 7 September carries a 650-word editorial on page 2 entitled "The French Nuclear Test."

SUARA PEMBARUAN notes the worldwide protests against France following its nuclear test on Mururoa Atoll in the South Pacific on 5 September. This test came after the world commemorated the 50th anniversary of the atomic bombing of the cities of Hiroshima and Nagasaki in Japan.

"Nuclear arms will be more catastrophic than the atomic bombs that were dropped in 1945. The intensity of the first U.S. nuclear test on Bikini Atoll in 1952 was 40 times that of the atomic bombs. The United States and the Soviet Union later competed in mastering more sophisticated technology to produce nuclear bombs. France, Britain, and then China followed suit."

The daily recalls numerous nuclear tests conducted by the nuclear powers and notes that several nuclear powers signed the Limited Test Ban Treaty in 1963. France and China have not acceded to the treaty, however.

"Why does France continue to conduct nuclear tests? One basic reason has been given. The country needs 'several' more tests to measure the compatibility of the tests with a computer simulation program devised to simulate the consequences of a nuclear bomb on the computer screen. France has conducted numerous nuclear tests ever since President Charles de Gaulle expressed his determination to build a nuclear deterrent power outside the U.S.-led NATO umbrella. They first conducted tests in Algeria, but then transferred the site to their colony in the South Pacific after Algeria gained its independence in 1962. President Chirac pledged to completely halt the nuclear testing program after eight nuclear tests, by which time the nuclear testing program would be replaced by the computer simulation program.

"Whatever reasons there may be, an act dangerous to human beings and the environment will become a source of concern for all mankind during the globalization era. The impact of the explosion in the atoll in the vast sea, which is far away from human beings, has not directly endangered any countries. However, this does not mean that any party can do whatever it likes. We regret France's action."

Jakarta SUARA KARYA on 8 September carries a 650-word editorial on page 5 entitled "France is Against the Human Conscience."

SUARA KARYA describes France as 'stubborn and arrogant' for conducting a nuclear test on Mururoa Atoll on 5 September despite worldwide opposition to the resumption of its nuclear testing program.

"Before France, China conducted an underground nuclear test in Lop Nor on Monday 15 May 1995, only three days after 176 countries, including China itself, endorsed an indefinite extension of the Nuclear Nonproliferation Treaty at the United Nations. China seemed to have quietly conducted its nuclear test, the intensity of which was between 40 and 150 kilotons. No one knew about the test until it was detected by the Australian Seismographic Center. There has been strong reaction from several countries, including Japan. The latter has threatened to suspend aid to China.

"The Chinese move seemed to have prompted Jacques Chirac, who assumed the French presidency on 17 May 1995, to resume France's nuclear testing program and conduct nine [as published] nuclear tests by May 1996. The purpose is to test the reliability of France's nuclear technology. He seems to be taking advantage of the continuing discussions for a comprehensive test ban treaty in Geneva, which is due to be signed next year. His predecessor Francois Mitterrand imposed a moratorium on nuclear tests in 1992. In the meantime, the United States as a major nuclear power has consistently adhered to its own moratorium."

The daily expresses its belief that no one wants to see fellow human beings annihilated by nuclear weapons. However, some countries need to develop nuclear weapons because they continue to fear external threats despite the end of the Cold War. "If you want peace, be prepared for a war, or si vis pacem para bellum in Latin."

"Perhaps, this is the dynamism of the world that has always been characterized by different strategic interests. Nevertheless, the development of nuclear weapons is morally unjustifiable. The French nuclear test in the South Pacific was a useless task that should not be repeated. Nuclear energy should instead be used to promote the prosperity of the mankind, including southern countries, which remain very backward."

Commander Warns of 'Increasing' Leftist Activities
BK1209100495 Jakarta THE JAKARTA POST
in English 8 Sep 95 p 2

[FBIS Transcribed Text] Jakarta (JP) — Armed Forces Chief General Feisal Tanjung has advised all regional

military commanders to raise their alertness to what he says are increasing communist and leftist activities in Indonesia.

"There are signs indicating an increase in their activities," Feisal was quoted by ANTARA as saying in the West Javanese capital Bandung yesterday.

Addressing several hundred military officers, Feisal said that the rise in subversive activities is being seen throughout the country. He called on local military commanders to intensify surveillance and monitoring of these activities.

The government outlawed the Indonesian Communist Party in 1965 after blaming it for a bloody coup attempt. Since then the country has been gripped by a phobia about communism, with all literary or symbolic references to the movement being categorically banned.

Until last month, former Communist Party members and suspected sympathizers imprisoned after the 1965 coup had to endure an "ET" stamp on their identification cards, signifying that they were former political detainees.

According to Feisal, the current rise of communist and leftist activities must be met by increased shrewdness on the part of the Armed Forces.

Also yesterday, the commander of West Java's Siliwangi military command, Major Gen. Tayo, said there were indications that communists and leftists were on the rise in his province. Tayo said these included groups who wanted to form a Pasundan National Kingdom or an Indonesian Islamic State.

In response Tayo's report Feisal instructed the regional commander to tighten security and be watchful against such activities.

"More regular inspections have to be carried out; and not just in West Java but throughout Indonesia," Feisal ordered.

Liberal

On the subject of internal threats, Feisal also issued a warning in relation to what he called the many "trouble makers" who he said have risen lately to take advantage of Indonesia's 50th anniversary celebrations to further their own goals.

"The issues they often bring to the fore are human rights, labor and environmental issues under the cover of liberal thought," the Armed Forces commander said.

Without identifying the "trouble makers," Feisal said that certain groups had exploited privileges and opportunities given to them to put forward new ideas which are

conceptually inconsistent with the state ideology Pancasila.

Feisal said that, as the Armed Forces celebrate their golden jubilee on October 5, the troublemaking groups will again show themselves, raising issues such as human rights.

"As commander of the Armed Forces, I am instructing all ranks of the military employees, and the greater family of the Armed Forces to remain vigilant and alert to this tendency," he said.

Feisal then put forward his thoughts on human rights and democracy.

Democracy, the general said, has both universal and local values. Thus, despite there being a universal ideal, local norms that exist in respective states must also be taken into account.

"Because of that there is no democratic form in this world which applies universally," he said, adding that forcing a state to accept a particular type of democracy without considering the socio-cultural traits of that nation would be undemocratic.

In efforts to contribute to the narrowing of the social economic gap, Feisal said, the Armed Forces was trying to increase awareness of this issue through various dialogues with socio-political organizations.

"This is important because it helps to create a common perception on the direction of development to overcome the problems we face," he said.

He added that efforts such this would also help answer critics of the Armed Forces' dual function, which allots it both a military and a political role.

Officer Comments on East Timor Incidents

BK1109134595 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 11 Sep 95

[FBIS Translated Excerpt] Brigadier General Suwarno Adiwijoyo, chief of the ABRI [Armed Forces of the Republic of Indonesia] Information Unit, says the government needs the people's assistance in handling the incidents in East Timor. Brig. Gen Suwarno Adiwijoyo said this to journalists while briefing them on ABRI's efforts to resolve the problem in East Timor. He was responding to a statement by East Timor Governor Abilio Soares on the series of incidents that took place in the province.

Here is our correspondent Lana Fauziah:

[Begin Lana Fauziah recording] ABRI will handle the recent incidents in East Timor carefully and wisely. Brig. Gen. Suwarno Adiwijoyo told journalists yester-

day afternoon that 61 people involved in recent rioting in the province have been detained. They have undergone legal procedures and have been released. The perpetrators of the rioting that have gone through the legal procedures will be charged in court soon. He called on the people to place their full trust in the military to handle the problem and at the same time refrain from making any comments on the mass rioting in East Timor. He said that among the destruction committed, the rioters mostly set fire to places of worship. Injured victims have been treated at several hospitals.

The demonstrations in Dili on Friday and Saturday were really disturbing because they disrupted activity in offices, schools, and commercial centers. [passage omitted]

Meanwhile, Major Gen. Adang Rukhiatna, commander of the 9th Udayana Military Command, said on Saturday night that there are about 3,000 members of clandestine groups in East Timor. They provoked the people by referring to SARA [ethnic, religious, racial problems and imbalance of equality in society] to the extent that rioting broke out.

Commenting on the problem in East Timor, many people feel the government should change its attitude from defensive to offensive so that such incidents will not recur. Amien Rais, a political expert at Gajahmada University, believes Indonesia should be firm in announcing that East Timor is an Indonesian province. Rais, also chairman of the Central Executive Board of the Muhammadiyah Muslim Movement, says the government has been too defensive in handling the East Timor problem, and as a result problems continue to exist there. He says Indonesia has sovereignty over East Timor; anyone who disturbs it must be confronted by the Indonesian government and people. [end recording].

E.Timor Governor Speaks to Reporters on Riots

BK1109143095 Jakarta ANTARA in Indonesian 1027 GMT 11 Sep 95

[FBIS Translated Excerpt] Dili, 11 Sep (ANTARA) — East Timor Governor Abilio Jose Osorio Soares has stressed that the rioting that occurred in several districts, including Dili, beginning on Friday, 9 September was not the result of the withdrawal of two Army territorial battalions from these areas giving certain individuals in society the opportunity to create disturbances.

"If there is anyone who thinks the withdrawal of these battalions is the cause of the rioting, they are totally wrong. It was a coincidence that the rioting occurred following the withdrawal of two territorial battalions that had completed their duties in this area," Soares told

journalists after leading an extraordinary flag hoisting ceremony in Dili on Monday.

The governor said that the rioting in Dili was no longer purely due to the insult of a particular religion. This is because the incident of insulting a religion has been well settled by the concerned personnel responsible for such issues in this area. Those responsible for the insult have been subjected to legal procedures in accordance with existing laws. They will be tried in court if charged with a crime.

He said, however, that groups took advantage of the situation and the calm was thus disturbed by more rioting. Obviously the rioting caused a lot of destruction.

Responding to journalists' questions, the governor said there was no need for additional battalions to replace the two that have been withdrawn to quell the rioting in East Timor. There is no need for additional Army battalions if the existing forces can handle the situation. "I am confident we can settle the problem comprehensively as long as all related parties in the area are mutually supportive," he added.

The rioting in Dili has caused great property losses, including the Comoro Market for traditional goods, which was gutted by fire. [passage omitted]

E. Timor Resistance Center Issues Rights Report

BK0809111295 (Internet) INDONESIA Listserv in English 8 Sep 95

[Human Rights Report by East Timor Centre for Human Rights Information, Education, and Training No.6/95 dated 8 September 1995]

[FBIS Transcribed Text] ETCHRIET [East Timor Centre for Human Rights Information, Education, and Training] has received the following information on a variety of recent human rights violations suffered by East Timorese.

1. Disappearance of Afonso Pinto, an East Timorese collaborator with the Indonesian military, and candidate for the post of Regent of Viqueque.

Afonso Pinto took part in the Indonesian-sponsored "reconciliation" meeting in Chepstow, England, last year, where he expressed disappointment with the process of integration of East Timor into Indonesia.

He was last seen getting out of a helicopter with an Indonesian military officer with whom he had worked in anti East Timorese guerrilla operations, after being allowed to briefly visit his wife to say good bye before supposedly leaving on an "assignment". He has since disappeared.

2. There has been no Indonesian statement regarding disappeared Clandestine Resistance Leader Pedro Nunes (Sabalae) and his assistant Remigio Levi da Costa, who were captured on 29 June by the Indonesian Army, according to East Timorese Resistance sources.

Latest Resistance reports say that Sabalae was taken to Jakarta, most probably to the Army Intelligence (BIA) detention centre in Tebet Selatan where he was intensely interrogated under torture. According to these sources, he was then taken to Bali, where he is most probably being held at the Military Police detention centre. It is further reported that he has refused to talk, and was even promised that his capture would be publicly acknowledged if he did so. Resistance sources feel that there is a strong possibility that the two men may have meanwhile been murdered by the Indonesian military.

3. Resistance Leader Xanana Gusmao. East Timorese sources inform that Commander Xanana Gusmao has been placed in total isolation at his Cipinang Prison cell in Jakarta. His is kept locked in it throughout the day.

In the past, Xanana, while forbidden to receive outside visitors, was allowed to meet fellow inmates. Even this has now been prohibited. The only human being he is allowed to see is the guard bringing his food, who locks up and leaves immediately after carrying out his task. Xanana Gusmao was repeatedly interrogated by military intelligence officers throughout August, after copy of his correspondence regarding an East Timorese women's petition to the Beijing Women's Conference was intercepted in East Timor. A five months prison sentence remission, automatically granted on the occasion of Indonesia's 50th independence anniversary, was cancelled.

4. It is alleged by Resistance sources that last month's burning down of a market in the in the East Timorese locality of Ermera, was a deliberate action of the Indonesian Military to allow a pretext to arrest youths suspected of anti Indonesian sentiments.

As a consequence, members of an East Timorese clandestine opposition group called "Fitun Naroman" were detained. First, a youth named Joao das Neves was arrested and severely mistreated to reveal names of the group leadership. These were said to be Osvaldo, the group's head and Germanino its secretary. These two young men were also arrested and severely mistreated until they provided the list of the approximately 200 members of the group. Many members were then arrested but subsequently released. Osvaldo, Germanino and Joao das Neves remain under detention.

5. According to eye witness reports, two East Timorese youths were summarily executed by Indonesian Army

members in Wailakama village on July 27. These were Marcelino da Silva Belo, a Catholic village youth group leader, and student Augusto Freitas Belo. The Army accused the youths of being Resistance supporters. The victims families were not allowed to keep the corpses, which were taken to Baucau before being returned to the village a day later. No confirmation of the murder was issued by the Indonesian Army.

6. Latest reports from the town of Viqueque refer to serious disturbances. In retaliation for the murder of two East Timorese civilians by Indonesian troops on 24 August, local youths have just burned four mosques and 20 market stalls owned by Indonesian transmigrants. An unspecified (large) number of arrests of East Timorese suspects has followed.

7. Two East Timorese, Marito Reis and Albino Lourdes, released from Cipinang prison in Jakarta on 17 August after serving a 12 year sentence for political reasons, are stranded in Jakarta. The funding they are supposed to receive from the Justice Department for their return home to East Timor has not been forthcoming.

The two former prisoners are forced to rely on the support they receive from East Timorese, NGOs [non-governmental organizations] and Church organisations in Jakarta. They are in need of medical attention, but are not eligible to receive assistance from the International Committee of the Red Cross, as they are no longer political prisoners.

8. East Timorese sensitivities have been dealt a further blow by the formal raising of the Indonesian national flag on the top of Mount Ramelau on August 17. Mount Ramelau, the highest peak in East Timor, is a place of profound symbolic significance to the East Timorese.

9. Indonesian moves to exacerbate internal conflict among East Timorese continue intensifying. Youths are being recruited for paramilitary training, aimed to gradually localise security operations against the East Timorese nationalist Resistance. Rather than have mostly Indonesian troops fighting East Timorese, the new Jakarta strategy is to increase the number of East Timorese fighting against fellow East Timorese.

Pro-integrationists Tomas Goncalves, in Ermera, and Joao Tavares, in Atabae, have been ordered by the military to train East Timorese civilians to assist 20 battalions carrying out an offensive against the guerrillas in the mountains next October. Meanwhile, Governor Abilio Osorio has been quoted in the media as warning public servants unwilling to take part in military training that they could be dismissed.

Editorial Urges Action in Response to Riots

BK1109141695 Jakarta REPUBLIKA in Indonesian
9 Sep 95 p 6

[Editorial: "The East Timor Riots"]

[FBIS Translated Text] Riots have flared again in East Timor, Indonesia's "hottest" province. Hundreds of students rioted in Dili, the provincial capital. They obstructed, intercepted, and destroyed automobiles and motorcycles; torched markets in various places; and assaulted people, particularly Muslims.

Riots are nothing new in East Timor. The current riots should be viewed with greater gravity, however, in an effort to keep them from escalating. This should not only be done with East Timor but with other riot-prone regions, too. With the racial and religious issues that erupted there, East Timor is like a dry pasture that could be easily and swiftly burned by the slightest spark from a flickering cigarette. Such incidents could be expeditiously nipped in the bud through precise and immediate action by the security apparatus.

It has been reported that the problem began at the Maliana Detention Center. According to the report, a Muslim resident made a derogatory remark against Catholics. Thereafter, the inmates left the center in Rutan in search of the person (whom they did not find). They ravaged his house. Apart from this report, there were reports that two mosques and two Protestant churches were torched. No credible reports are available on what actually happened.

Nevertheless, it is obvious that we must not adopt a calm attitude toward the riots given that mostly students were involved. One of the issues that needs attention involves the number of people who died in the riots. This issue must not be allowed to slip by unnoticed. Another issue that should be given greater attention is to absolutely halt the practice of destroying the religious harmony that we have established through so much effort. No one must ever be allowed to do this at any cost.

Apart from settling the issue of the riots in East Timor, the public also expects other racial and religious issues to be settled expeditiously to prevent them from getting out of hand. It would be very distressing if extremely volatile issues were left unattended and allowed to gradually dissipate. There should be specific steps to solve racial and religious issues such as those at the heart of the recent riots.

One positive measure would be the establishment of a fact-finding team responsible for investigating the actual causes of these incidents. Also, there is a crucial need to establish a joint team consisting of representatives from

ABRI [Armed Forces of the Republic of Indonesia], the National Human Rights Commission, the MUI [Indonesian Ulema Council], and the KWI [Indonesian Council of Churches]. The input of this joint team would not only serve to end the circulation of distorted news regarding the riots but also lay the groundwork for the government to embark on follow-up action.

A number of people died in these riots. It is only appropriate that the judiciary take punitive action against those responsible for these offenses in accordance with the gravity of their respective crimes. In an attempt to prevent the riots from escalating, action needs be taken against those responsible for circulating distorted news or rioting and even against any irresponsible security personnel involved in the riots. Apart from this, it is also very important that Islamic and Catholic religious leaders sit down together to discuss how to institute much-desired religious harmony.

Philippines

Second Diplomatic Protest Over Nuclear Testing

*BK0809113095 Hong Kong AFP in English
1113 GMT 8 Sep 95*

[FBIS Transcribed Text] Manila, Sept 8 (AFP) — The Philippines sent a second diplomatic protest to France on Friday over the resumption of nuclear testing in the South Pacific, the presidential palace said.

The note cited France's "deplorable lack of sensitivity to the apprehensions and interests of the countries in the Pacific, the Philippines included, which stand to be directly affected by the test," a palace statement said.

It said Manila was "strongly condemning" the resumption of nuclear testing by France.

Manila sent its first protest after France announced the renewed testing, which began on Tuesday. President Fidel Ramos has also called on French President Jacques Chirac to abort further planned tests, which Paris said would continue until next year.

Demonstrators Protest French Nuclear Tests

*BK1109131995 Hong Kong AFP in English
1257 GMT 11 Sep 95*

[FBIS Transcribed Text] Manila, Sept 11 (AFP)—Several thousand protesters unleashed a barrage of noise in Manila and several other cities Monday to protest against France's nuclear tests in the South Pacific.

The demonstrators were apparently responding to a call issued by President Fidel Ramos on Sunday for young people to raise their voice against Paris which he said had remained "deaf" to worldwide condemnation of the tests.

About 2,000 people picketed outside the French embassy in Manila, where office workers in high rises hurled confetti and rolls of toilet paper in support of a noisy anti-nuclear motorcade.

Church bells rang, pots, kettles were banged, ceremonial tribal songs played and firecrackers let off in protests also carried out in the cities of Davao, General Santos and Baguio during the 30-minute lunch-hour demonstrations.

In Manila, police chief superintendent Hermogenes Ebdane warned his men would arrest anyone seen burning the French tricolore, but nobody was reported detained.

Health officials from the Western Pacific, attending an annual meeting in Manila, passed a resolution Monday deploring nuclear testing and urging those countries involved to stop them "immediately."

The resolution, introduced by the Cook Islands, did not specifically mention recent tests by France and China. The proposal was carried with France dissenting, and China and Tonga abstaining.

Navarro Reports on AFTA Farm Products Decision

*BK1109125995 Manila MANILA BULLETIN
in English 8 Sep 95 p B-1*

[Report by Bernie A. Cahiles]

[FBIS Transcribed Text] The 7th ASEAN Free Trade Area (AFTA) Council has agreed to the proposed inclusion of unprocessed agricultural products into the Common Effective Preferential Tariff (CEPT) scheme starting early 1996.

Trade and Industry Secretary Rizalino S. Navarro, who attended the 7th Meeting of the Council last September 6 in Brunei, reported that this was part of the ASEAN's move to accelerate tariff liberalization program in the region via the CEPT.

Originally, the CEPT scheme aims to reduce tariff rates of products traded within the region to 0 to 5 percent by the year 2008 but this was accelerated to 2003 in light of the implementation of the World Trade Organization (WTO).

During the meeting, Navarro said the Council approved the inclusion of nearly 1,358 tariff lines, representing 68 percent of all unprocessed agricultural items in the CEPT basket starting January next year.

Navarro, however, maintained the Philippines' position to exclude rice and corn while the sensitive agricultural products should take a longer phase in period.

The Council has agreed to the inclusion of another 402 tariff lines representing 20 percent of unprocessed agricultural products within the next seven years.

The remaining products, Navarro said, would be subject to a special arrangement which involve commitments that are better than ASEAN countries' commitments in the World Trade Organization (WTO).

The Council also approved the first installment of products transferred from the Temporary Exclusion List (TEL), involving a total of 682 tariff lines, of theCEPT scheme into the Inclusion List.

Some of the products in the first installment included inorganic and organic chemicals and plastics, among the fastest growing traded products in ASEAN.

"The inclusion of TEL products is bound to further accelerate the growth of intra-regional trade," Navarro said.

In addition, the Council endorsed the new tariff reduction schedule for products in theCEPT starting January next year.

A total of 40,960 tariff lines in theCEPT Inclusion List representing nearly 90 percent of all tariff lines in ASEAN shall have their rates reduced to the range of 0 to 5 percent by the year 2003.

Manila Prepared for Full Membership in IMF

*BK1109151995 Manila MANILA BULLETIN
in English 8 Sep 95 p B-1*

[Report by Fil C. Sionil]

[FBIS Transcribed Text] The Philippine Government has informed the International Monetary Fund (IMF) of the country's readiness to embrace full membership under the Article VIII status thereby lifting all remaining restrictions on current account transactions.

This is the first time that the country would be an eligible member under Article VIII status since it joined the IMF in 1945.

Bangko Sentral ng Pilipinas [Central Bank of the Philippines] (BSP) Governor Gabriel Singson, who just arrived from Washington D.C., disclosed yesterday that the government would formally transmit its decision to the IMF as soon as the Monetary Board approves the country's bid to qualify under Article VIII.

Article VIII essentially prohibits member-countries from putting up restrictions on either the payment or transfer of current international transactions, which the IMF sees as a form of restraint on trade, or for these economies to engage in multiple currency practices.

"This means no retreat," Singson said adding that the remaining restriction on current account transaction, particularly on foreign loan approvals by the monetary authorities, has been deemed as compliance by the IMF.

Singson explained that the IMF still wants the government to put a ceiling on external borrowings and that this does not constitute a violation of the provision under Article VIII status.

Singson stressed that the country is still ready to assume full membership under the Fund's Article VIII status despite maintaining certain restrictions on capital transfers.

He explained that even the IMF suggested that a cap be maintained on foreign borrowings, a performance criteria under the country's three-year Extended Fund Facility (EFF).

As such, Singson said, prior approval by the BSP would still have to be secured for foreign borrowings.

"They (IMF officials) are convinced we have removed all restrictions on current transactions and that our foreign exchange policies do not result in multiple currency transactions," he said.

Being an Article VIII member is a further assurance to investors of the country's sound economic policy, he added.

Singson also qualified that in times of an emergency, the country may reimpose temporary controls on the currency transaction.

Also, Singson said that the continued concession given to the oil companies in terms of foreign exchange forward cover is no longer considered a violation under the provisions of Article VIII because of the commitment of the policy-makers to phase this out by 1996.

He pointed out that the inflation rate for the whole year is still below the projected average of 7.5 percent while the average inflation rate for the first eight months of the year reached 6.6 percent and is even lower than the internal BSP target of 7.1 percent.

Ramos Urged To Clear Political Atmosphere

*BK1209050995 Manila MANILA STANDARD
in English 8 Sep 95 p 8*

[Editorial: "Bringing Back Order"]

[FBIS Transcribed Text] It is too bad not everybody believes President Ramos when he says he has no plans to stay in power after his term ends in 1998. This does

not-speak well of his credibility which is crucial to the success or failure of a head of government.

Not even the prepared statement he read before his last press conference last Wednesday [6 September], which was thus far the most categorical denial of charges that he was bent on perpetuating himself in power, was taken at its face value by everyone.

It was unfortunate that in making that denials he also had to disown participation in the Senate coup last week that not only toppled former Senate President Edgardo Angara but also muddled the already chaotic political situation.

The president also had to deny involvement in the putsch because of the charge that the removal of Angara as Senate president was the first step toward a shift to a parliamentary government that would enable him to hold on to power after 1998.

The arguments supporting the charge were flawed; they were based on the over-estimated influence of Angara in the legislature, for one. At any rate, there is no concrete or unassailable evidence to prove the accusation as of now. In the execution of a coup, proceedings are never put in black and white and one has to depend entirely on hearsay to make a judgment.

Neither can mere denials erase doubts about the president's involvement in the putsch. As Senator Blas F. Ople puts it, "Maraming hindi sinunod na kasunduan si Ramos (Ramos has welched on many agreements)."

At any rate, the president has committed a faux pas, if his twin denials had indeed been a mistake. There is nothing more he can do about that.

What he could have done and still can do is to clear the political atmosphere so muddled that anyone who claims he can see through it clearly or make heads or tails of it should have his head examined.

The president could, for instance, force the return of the two-party system by doing away with the so-called coalitions between his party, the Lakas and the other parties he used to govern effectively.

His party is now strong enough to govern without these coalitions, including that with the second biggest party, the Laban ng Demokratikong Pilipino [Struggle of the Filipino Democrats] which, already headless, was thrown into total disarray by the Senate coup.

The president could declare all these coalitions ended and demand that all political leaders who support or believe in his administration formally join the Lakas. The rest could stay in their respective parties or form a new one.

All but the paper parties, who do not count in any power play anyway, have arrangements with the Lakas and except for the Laban, they would die if they give up their hold on the coat-tails of the administration.

How deep the schism in the Laban caused by the coup in the Senate has yet to be seen, but the party could stand by itself if the coalition with Lakas is terminated. There will be plenty of defections to the Lakas but there will be enough leaders left to form a credible opposition to which remnants of other parties would rally around. In due time, that opposition party would be an effective check on the blunders and abuses of the ruling party.

By this manner, President Ramos could put order to the confusing, even bizarre political situation, which, because of its unpredictability, is of no use to him in leading the nation. In fact it can only slow down his program of government.

Editorial Questions President Ramos' Credibility

*BK1209023195 Manila PHILIPPINE DAILY
INQUIRER in English 8 Sep 95 p 8*

[Editorial: "The Last Word?"]

[FBIS Transcribed Text] Mark his words, so that they will come back to haunt him if ever he has a change of heart. "I have no wish or design to perpetuate myself in office," President Ramos told the nation Wednesday [6 September]. "As I have said many times in the past, I will step down at the end of my term on 30 June 1998, content, with God's blessings, in having done my best during my watch to bring our country on the irreversible path to peace, unity and sustained progress."

Never mind his previous statements — they appear to have been carefully crafted to provide an escape hatch, just in case. Such as when he told INQUIRER editors and executives earlier this year that after serving all his life in government, he felt he deserved to enjoy his golf after 1998, or words to that effect. Of course, golf and the presidency are not necessarily incompatible; in fact many presidents think they go well together.

This time there was no hemming or hawing, no room for misunderstanding or misinterpretation. Mr. Ramos couldn't have been clearer, more categorical or more precise. And that ought to finally put the issue of his succeeding himself in office and others that sprang from it finally to rest. As Senate President Neptali Gonzales put it, "We should give full faith and credit to the president's statement."

But that's just the problem. Some people can't take what Mr. Ramos says at face value. Like Sen. Blas F. Ople who flatly said he didn't believe Mr. Ramos.

So why the lingering doubts?

First because aside from Ms. Corazon Aquino, no Filipino president has voluntarily relinquished the office. Only death or defeat in the polls could make them leave Malacanang. And two — Presidents Quezon and Marcos — succeeded in hanging on to the presidency after their terms by tinkering with the Constitution.

Then there is Mr. Ramos himself. He has demonstrated that when high stakes are involved, he can renege on his commitments. In 1991, for instance, he agreed to abide by the results of the LDP [Laban ng Demokratikong Pilipino; Struggle of Filipino Democrats] convention, but when he was beaten by Speaker Ramon V. Mitra Jr., he went ahead with his presidential candidacy.

There has also been this bad presidential habit of seeking emergency powers to deal with problems that do not strike most people as critical, like the reorganization of the bureaucracy. This only serves to fuel suspicions about a deliberate design to condition people's mind to accept emergency or martial rule.

And who have been talking about amending the Constitution to either shift to a parliamentary system or lift the constitutional limitation on the number of terms elective officials can serve? Certainly not the politicians who are touted as possible presidential candidates in 1998, but Ramos men in and out of government. Some senators and many congressmen are only too eager to seize the opportunity to extend their terms beyond the limits set by the Constitution.

Apparently Mr. Ramos was forced to come out with an outright denial precisely because of charges made by Sen. Edgardo Angara that he is maneuvering for another crack at the highest office. But such denials are meaningless unless he tells his own people, particularly those in Congress, to stop all this silly talk about amending the Constitution, whether through a constituent assembly, a constitutional convention or a popular initiative. More than that, Mr. Ramos should now challenge his allies in Congress to rise above their own partisan and personal interests and make the same sacrifice by sticking to the limits set by the fundamental law. They don't have to worry, the nation can manage without their services.

Thailand

Envoy Recall, Goods Boycott Protest French Test

BK1209071395 Bangkok Radio Thailand Network in Thai 0530 GMT 12 Sep 95

[FBIS Translated Text] Regarding criticisms that Thailand's view on France's planned nuclear tests in Mururoa is not clear, Foreign Minister M.R. Kasemsamson Kasemsi said Thailand's stand remains unchanged

— i.e. it disagrees with the nuclear tests and continues to affirm the stand jointly taken with ASEAN members at the recent meeting of ASEAN foreign ministers in Brunei.

The Thai ambassador to France will be recalled, and Thailand will stop buying goods exported from France, said the Thai foreign minister.

Sarot Chawanawirat, deputy permanent secretary for foreign affairs said if Nonaligned Movement member countries will issue a joint statement against France's nuclear test, Thailand as a member country will certainly support the move.

Group To Launch Communication Satellite for Laos

BK0909132795 Bangkok THE NATION in English 9 Sep 95 p B2

[FBIS Transcribed Text] M Group has obtained a concession from the Lao government to launch the country's first communications satellite, according to a company executive.

The diversified group, which controls several domestic and international publications, hopes to make maximum use of its information resources to build an Asia-Pacific broadcasting empire.

According to Chararat Pingplasai, M Group business development director, the Lao government is working out details of the contract, which M Group is confident will be signed by the end of the year.

"Technical and revenue agreements are under discussion," said Chararat.

M Group owner Sonthi Limthongkun has said the investment is valued at approximately Bt[baht]8-9 billion. The Lao government had signed a statement of approval in early June and expected the contract would be signed on July 15.

"I will not provide only satellite services. I will offer a package that combines both hardware and software, Sonthi said."

Eventually, I will produce news in English and then broadcast it via satellite," said Sonthi in an interview with one of his monthly business magazines.

The Lao satellite will be equipped with 12 C-band and 24 Ku-band transponders and is scheduled for launch on December 2, 1996. The orbital slot request has already been filed, according to Sonthi.

M Group established Asia Broadcasting and Communications Network Co (ABCN) with a registered capital

of Bt2 billion to run the 30- year concession. ABCN is raising capital through M Group's affiliated companies, including International Engineering Plc, a mobile phone distributor.

In late August, United Communication Industry Plc, which has targeted business expansion into satellite communications, announced it was prepared to take a Bt150 million stake in ABCN.

Ucom CEO Bunchai Bencharongkun has said if M Group does not win the project, Ucom will cancel its shareholding plan.

Chararat yesterday met with the Transport and Communications Ministry's space development division to discuss the protection period for Chinnawat Satellite Plc's Thaicom satellites.

"M Group is interested in launching a satellite in Thailand as well, even though Thaicom's' protection will last for the next four years," said Chararat, adding approval will depend on government policy.

Dr Khanet Chamarakkun, the division director, said an M Group representative wants to study the contract between Chinnawat Satellite and the ministry.

A ministry source said Sonthi planned to meet Deputy Transport and Communications Minister Sombat Uthaisang to discuss the ABCN project.

Nuclear Cooperation Discussed With Canada

BK1009140495 Bangkok Radio Thailand Network in English 0000 GMT 10 Sep 95

[FBIS Transcribed Text] Canada is ready to cooperate with Thailand in technology transfer in the field of nuclear technology. Visiting Canadian Deputy Prime Minister and Environment Minister Sheila Copps on Friday held talks with Deputy Prime Minister Samak Sunthorawet on Thai-Canadian nuclear technological cooperation.

Mr. Samak told his Canadian counterpart that Thailand planned to turn to nuclear energy to replace other types of energy such as coal, natural gas, and hydro power. A study is being conducted to ensure the safety of nuclear technology application. Mr. Samak and the visiting Canadian deputy prime minister shared the views that nuclear application was a sensitive issue. Therefore, the general public need to be provided with education about this new technology.

At present, Chulalongkon University in Thailand has cooperated with Canada in publishing a handbook on nuclear energy to be distributed to Thai people. Thai and Canadian deputy prime ministers also exchanged views on Thai-Canadian cooperation in remote sensing and gas

emission projects. The Canadian deputy prime minister will conclude her six-day official visit to Thailand on 12 September.

Editorial Reviews ASEAN Ministers' Meeting

BK1209075295 Bangkok BANGKOK POST in English 12 Sep 95 p 4

[Editorial: "Action at the Top Key to Reach ASEAN Goals"]

[FBIS Transcribed Text] To call last week's ASEAN economic ministers' meeting a failure would be unfair. The ministers did make progress on the inevitably slow road towards expanding the ASEAN Free Trade Area (AFTA).

A significant number of agricultural products are now due to be liberalised within the same 2003 deadline as other goods. Serious talking is about to begin on liberalising service industries. Closer links are being established with the private sector to enable ASEAN's trade and investment policies to conform more closely with the needs of business.

But it is also fair to say that the amount of progress achieved is disappointing. Senior officials have worked hard during the past year to fulfill the tasks that the ministers set them a year ago in Chiang Mai. We have grounds to have expected more from the Brunei meeting last week.

That is not to say that the ministers should have agreed to set 2000 as the completion date for AFTA instead of 2003. Bringing the deadline forward another three years would probably be more trouble than it is worth, but the ministers did agree to try to achieve as much as possible by 2000.

Rather, more details should have been thought through on other areas. ASEAN ministers and officials are still as vague as they were a year ago about exactly what kind of cooperation they want to see in intellectual property rights.

The officials' view is that the ministers did not give them a clear enough mandate on the content of the cooperation. Some expert observers say the officials were also partly to blame for failing to spell out clearly enough to the ministers what the feasible options might be.

On services, after a whole year ASEAN ought also to have a clearer idea of what is possible. In Brunei, while Thai ministers were talking about regional open skies for example, Malaysia said cooperation in aviation might mean nothing more than joint operations on certain routes — which exists already .

And the dialogues with Japan and particularly with Australia and New Zealand turned into rather empty events considering the expense in time and money for all concerned.

It is good to have dialogues, and even to have such outcomes as the promised ASEAN-Australia-New Zealand customs compendium. But did it really need trade ministers all flying to meet each other in one place to achieve that? Hopefully the second meeting will be more meaningful. After all, there is a real world out there with real problems.

Part of ASEAN's problem lies in lack of cooperation between the increasing number of ministries that have to be involved as the scope of freer trade and investment bites deeper and wider.

One participant questioned wearily whether the economic ministers' meeting is an adequate forum for dealing with the ever widening agenda. The meeting is at present the territory of trade ministers. But "economic" cooperation is becoming much broader than trade, and a higher level of political commitment is needed to coordinate the many agencies concerned.

Thailand is certainly not the only country that faces problems in coordinating its policies. In some respects the Thai delegation in Brunei was more unified than in previous years.

There were some complaints from officials from non-trade ministries that they were not allowed into most of the meetings even as observers, but the countries keenest to restrict the numbers probably did not include Thailand.

In fact Thailand managed to sneak three ministers into last Wednesday's meeting of the AFTA Council — Finance Minister Surakiat Sathianthai, Deputy Commerce Minister Phairot Suwannachawi and Deputy Industry Minister Anuson Wongwan. The other countries only sent trade ministers. So there is some effort being made in the Thai Government to spread the responsibility for AFTA over a wider range of agencies.

At the same time Dr Surakiat, who is clearly more junior and naturally willing to yield to seniority, did seem to develop a good working relationship with the Thai delegation leader, Deputy Prime Minister Amnuai Wirawan. Close observers said the two were more willing to brief each other on what had happened in their respective meetings than their predecessors, Dr Suphachai Phanitchaphak and Tharin Nimmanhemin.

This year, the economic ministers still have another chance. Their work is directed towards the ASEAN summit in Bangkok in December, and they have agreed

to meet again in Osaka when they attend the Asia-Pacific Economic Cooperation group's summit.

We might therefore still see something clearer and more substantial before the end of the year. But that will require the even more difficult task, in Thailand's case, of proper understanding of the issues and trade-offs, and coordination, from the topmost level of the government — from Prime Minister Banhan Sinlapa-acha himself.

Exports Rise 21 Percent During First Six Months

BK1109075495 Bangkok Radio Thailand Network in English 0000 GMT 11 Sep 95

[FBIS Transcribed Text] Thai exports during the first half of this year amounted to 640,000 million baht, an increase of 21 percent over the same period last year. According to the Board of Trade of Thailand, the figure represents 49 percent of this year's export target, which is set at 1.3 trillion baht. An increase was seen in all export categories. Agricultural exports rose by 31 percent with a remarkable increase in rubber, sugar, and frozen vegetable exports. Exports of manufactured goods rose by 17 percent with a significant increase in computer, electric circuit board, footwear, and garment exports. Thailand's all export markets during the six-month period showed a satisfactory growth rate, specially in the ASEAN market. With success in exports during the first six months of the year, it is expected that Thai exports during the latter part of 1995 will exceed the set target, reaching 1.36 trillion baht, an increase of 19.5 percent.

BOT Told Not To Restrict Foreign Capital

BK1109075195 Bangkok BUSINESS DAY in English 11 Sep 95 p F1

[FBIS Transcribed Text] Any move by the Bank of Thailand (BOT) to slow foreign capital inflows by slapping reserve requirements on Thai commercial banks' offshore certificates of deposits (CDs) and floating-rate notes (FRNs) would slow economic growth, the strategist at Capital Nomura Securities, Sriyan Pietersz, said yesterday.

He also predicted such action would limit any improvement in the asset liability structure of Thai commercial banks and worsen the relationship between the central bank and commercial banks.

Mr. Pietersz was responding to news the BOT wanted Thai commercial banks to generate funding domestically in order to reduce the current account deficit and close the gap between investment and savings, both currently around 6 percent of gross domestic product.

"A clamp down on foreign capital inflows by slapping a reserve requirement on CDs and FRNs would be short-

sighted, said Mr. Pietersz. "The BOT should instead introduce a guideline on the loan-to-deposit ratio (for Thai commercial banks)."

Thai commercial banks find it difficult to fund their long-term assets with domestic long-term liabilities. Thai CDs and FRNs usually have maturities of no longer than a year.

Funding long-term assets with short-term liabilities exposes Thai commercial banks to greater foreign exchange or interest rate volatility when they have to roll over their short-term liabilities.

Thai commercial banks often go offshore to lock in seven-to-10 year FRNs to better match the interest rate between their deposits and loans, and maintain a constant spread over a longer period of time.

FRNs with a coupon have an interest rate which is periodically changed in line with a specific short-term interest rate index, for example, the London Interbank Offered Rate.

CDs are negotiable money market instruments which certify that a time deposit has been made with a bank at a fixed interest rate for a fixed period.

By placing a ceiling on the ratio of loans to deposits, the central bank would send a more effective signal to Thai commercial banks that they would have to balance offshore borrowings against domestic deposits, Mr. Pietersz said.

A BOT loan-to-deposit cap would also enable banks to better manage their spreads and asset-liability profile, as well as generate more domestic deposits to keep their loan-to-deposit ratio in line, Mr. Pietersz said.

"By instituting a guideline on loans and deposits, it is up to the banks to manage their mix of offshore borrowing and local deposits," Mr. Pietersz said.

"Offshore borrowing is essential in order for (Thai) banks to improve the duration profile of their liabilities until there is a time in Thailand when there is a variety of financial instruments to raise domestic funds."

Scott Christensen, the economist at Jardine Fleming Thanakom Securities, said a BOT loan-to-deposit guideline for Thai commercial banks would encourage banks to source more of their funds in baht.

"It would discourage offshore borrowings and force banks to mobilize more baht deposits," said Mr. Christensen, adding it would also continue the central bank's long standing efforts to influence rather than dictate monetary policy.

"If the central bank was serious about bringing down the level of offshore borrowings as a percentage of total

borrowing, then it would impose reserve requirements (on CDs and FRNs)," said Mr. Christensen.

Chawalit Confident Cabinet To Approve Tank Deal
BK1209074195 Bangkok THE NATION in English
12 Sep 95 p A2

[FBIS Transcribed Text] Defense Minister Chawalit Yongchaiyut yesterday expressed confidence that the Cabinet would approve the Army's request of a Bt[Thai baht]1.7 billion budget to purchase 101 decommissioned tanks from the United States.

"The Cabinet will discuss the matter tomorrow (today). There will be no problems," Chawalit said.

If approved, the purchase of M60 A3 tanks would be included in the budget commitment over four fiscal years starting in 1995-96.

"The proposed purchase has passed through all the necessary procedures," Chawalit said.

He said the purchase might be exempted from the government's counter-trade policy if necessary.

The Army said in its purchase order that the US government would not be happy about selling the weapons under the counter-trade practice because the tanks had been offered at a special price under a foreign military sales programme.

The Foreign and Commerce ministries, who have scrutinized the project, said the purchase should be carried out under the counter-trade policy as required by a Cabinet resolution.

The resolution, reconfirmed on June 6, required that any government purchase of more than Bt1 billion should be made through such a trade.

"There should be a counter trade with this deal," Chawalit said yesterday.

"We need to sell rice and other commodities, so we must try to convince the United States to purchase our products in return for the weapons. But sometimes, an exemption is also necessary."

The representatives of the Budget Bureau and Finance Ministry have already agreed to cost-spread the purchase, a well-informed Government House source said last week.

The Army said the purchase of more tanks was necessary because only 157 of its 287 M41 A3 tanks, which had been in service for over 30 years, were still operational. The others were beyond repair, the purchase request document said.

The M60 tanks had been decommissioned in some Asian and European countries and the US government offered to repair and sell them to Thailand at a very special price, the Army said in the request.

The Defence Ministry suggested in its opinion attached to the request that the purchase was necessary to ensure Thai military strength remained on par with its neighbors.

Banhan Says Military Has No Pretext for Coup

*BK1109090995 Bangkok BANGKOK POST
in English 11 Sep 95 pp 1,3*

[Report on "exclusive" interview with Prime Minister Banhan Sinlapa-acha by correspondents Yuwadi Thanyasiri and Somchai Misaen in Bangkok on 10 September]

[FBIS Transcribed Text] The Government will not provide the pretext for a coup and is confident of the support of the democracy-minded military, the Prime Minister said yesterday.

Mr. Banhan Sinlapa-acha dismissed comparisons between his government and the Chatchai Chunhawan administration ousted in a coup on February 23, 1991 following what the military saw as interference.

"No, there will be no such thing," said Mr. Banhan in an exclusive interview at his Charansanitwong Road home.

"The Government will not create any criteria like that. We don't want to interfere too much with the military," he said.

There has been a public outcry over reports that officers involved in Black May 1992 particularly Gen [General] Chainarong Nunphakdi, then commander of security forces in Bangkok, would be promoted to key posts in the annual reshuffle.

Gen Chatchai has warned that if the Government interfered in the reshuffle, as it is reported to have done, there would be the risk of a coup.

Mr. Banhan, however, said he had not seen the reshuffle list yet but had talked to Gen Chawalit Yongchaiyut, the Defence Minister, and the commanders of the three Armed Forces and they told him there was no problem with the reshuffle.

"Soldiers today have a good heart. If they want to get into politics they would resign and enter the democratic political arena," Mr. Banhan said.

There should be no more coups in Thailand, he said, because they always took the country backwards.

If the government or the prime minister were no good, change could be brought about through the parliamentary system.

"Coups are obsolete. The international community will not accept them. This is an important matter," he said.

Mr. Banhan, who was finance minister and Chat Thai secretary-general in the Chatchai government, said that government was in a precarious situation because at the time there were many soldiers who were capable of staging a coup since their class (Class 5 of the Chulachomklao Military Academy) were in control of all three Armed Forces.

He said that the Government was looking which officers now have the capability to stage a coup.

Asked if this meant there were no officers capable of doing so at present Mr. Banhan replied:

"I won't answer that or you will make big news out of it saying the prime minister said soldiers have no capability to stage a coup."

He said the 1991 coup took place because Gen Athit Kamlang-ek, the former army chief and an MP and deputy premier at the time, was concurrently made defence minister and the military could not accept it.

Then followed news Gen Sunthon Khongsomphong, the supreme commander who became chairman of the National Peace-keeping Council which staged the coup, was about to be sacked. This shocked the military into a coup.

To remove the pretext for a coup, he said, the Government must look at where the Armed Forces were having problems and tackle them through the budget for arms procurement.

"If we pay them attention and don't bully them, the military will stay happy so why would they stage a coup? But if we did something to them or if we don't respond to any of their requests, then they will start to have thoughts about doing it," Mr. Banhan said.

Every year around reshuffle time, relations between the government and the military appear strained, he said.

But matters will ease after the reshuffle. "It is normal that there will be people who are happy and those who will be unhappy in every reshuffle."

Turning to his coalition, he said there had been no arguments among the leaders of the seven parties during their month in office. They meet every two weeks to discuss all problems and the next one is today.

"I feel comfortable because there are no conflicts at all between the senior cabinet figures or the party leaders," Mr. Banhan said.

As for conflicts in his Chat Thai Party, where the Thoet Thai faction was demanding the interior portfolio he is also holding, Mr. Banhan said there was no problem and they frequently meet over dinner.

When the time comes he will reconsider the portfolio but now an understanding has been reached.

"I told all my party MPs straight out that I ask of them some time for the government to do its work first. If they do not give us time, nothing will get done and there is a lot of work to do," Mr. Banhan said.

Turning to corruption, Mr. Banhan said the Government was always ready to investigate its people and make changes. "If some ministers are not behaving well, just say so and we will look into it."

On political reform, he said it was important to ensure an honest electoral system and to establish a check and balance system to examine MPs and ministers once in office.

He wanted an independent body formed to check MPs, ministers and civil servants. However, whether this body should be under the jurisdiction of Parliament is a matter that will have to be thought out carefully.

Concerns have been raised that such a body will fall under the control of the majority voice in Parliament.

It was also important, he said, to disabuse some people of the notion that they can run for election as an MP and move automatically into the cabinet. Such a thought would make people run and invest great sums to buy votes.

Mr. Banhan has asked the Political Reform Committee, chaired by his brother Chumphon, to think this point over.

The Prime Minister also supported the idea of public hearings on state projects to provide the government with information when considering how to carry out certain schemes. This would not mean however, that the Government would be bound by the findings of every hearing.

Military Reshuffle To Consider May 1992 Events

*BK1209074395 Bangkok THE NATION in English
12 Sep 95 pp A1, A3*

[FBIS Transcribed Text] Defense Minister Chawalit Yongchaiyut, claiming he is not a rubber stamp, said yesterday the upheaval in May 1992 would be taken into

consideration when deciding the transfers of military officers.

Meanwhile, Armed Forces Chief of Staff Pramon Phalasin is tipped to become Army commander, while Pramon's deputy Mongkhon Amphonphisit will be named assistant Army commander, a source said.

Gen Chawalit said he had the authority to change any names in the annual reshuffle list from the rank of three-star general. However, he said he would not make changes to the list if he found nothing inappropriate.

"In the annual transfers, the defence minister has the authority to do anything. It is my responsibility. I am not a rubber stamp which will approve any issue," Chawalit told THE NATION.

He said apart from taking into account seniority, knowledge and ability of officers, he would also consider those who were acceptable to their subordinates and who had acted in the interest of the country.

The defence minister said there would be no problem if politicians and officers understand each other, and that both sides should frequently hold talks.

He said he had secretly gathered information for more than a month, but could not yet conclude who was suitable for which position. He said he had not yet received the reshuffle list from the defence permanent secretary.

"The incident in May 1992 will be considered," he said.

Gen Chawalit said he was not worried about news reports over the controversial reshuffle list, saying everything must be done in accordance with the law.

The reshuffle list has been strongly criticized after it was reported that Army Commander Wimon Wongwanit intended to promote Gen Chainarong Nunphakdi to the post of assistant Army commander.

Chainarong was accused of ordering troops to open fire on pro-democracy demonstrators during the May uprising, killing more than 40 protesters according to the official toll.

He was then the commander of the First Army Region, which oversees troops in the capital.

Chainarong's reported promotion has been opposed by relatives of the May victims and political groups who demand the Army reveal an investigation which, according to Gen Wimon, cleared Chainarong of his involvement in the bloodbath.

Wimon, who will retire at the end of this month, has refused to publicize the white paper, claiming it would cause disunity.

The Army commander also reportedly wants his deputy Gen Phaibun Emphan to succeed him. Wimon and Phaibun, who has one year left in the military service, are Class 5 graduates of the Chulachomklao Royal Military Academy.

But a source said yesterday before Supreme Commander Gen Watthanachai Wutthisiri submitted the reshuffle list to the defence permanent secretary, he had made some crucial changes.

According to the source, Armed Forces Chief of Staff Gen Pramon will succeed Gen Wimon and Armed Forces Deputy Chief of Staff Gen Mongkhon will become Army assistant commander.

New reports said Pramon is close to Chawalit, while Gen Mongkhon is a close aide of former prime minister and ex-Army chief Prem Tinsulanon, who is also known to have close ties to Chawalit.

The source said Gen Thawan Sawaengphan, an Army adviser, would become Army chief of staff, while Assistant Army Commander Gen Chettha Thanacharo would be promoted to deputy Army commander.

Supreme Commander Watthanachai said the list would be acceptable to officers if it was approved by His Majesty the King.

"Whoever wants to do anything, do it. My responsibility is over," he said.

Navy Commander Adm [Admiral] Prachet Siridet said he believed there would be no change to the Navy's reshuffle list, and that concerned parties would consult him before making any change.

A farewell ceremony for Wimon at the Army Artillery Centre in Lop Buri scheduled for yesterday morning was cancelled because the Army chief was sick.

A source said Gen Wimon had a cold and a headache after it rained while he was on an official trip to Chiang Mai on Sunday. However, the source claimed that Wimon yesterday lunched with senior officers at the Army headquarters.

Minister Allegedly Tries To Hush Drug Report

*BK0909114595 Bangkok THAILAND TIMES
in English 9 Sep 95 p 1*

[FBIS Transcribed Text] Deputy Interior Minister Sonchai Montriwat has tried to keep quiet reports of a huge trade in amphetamines conducted in Kanchanaburi province by an alleged friend of the minister.

28,800 amphetamine pills, with an estimated value of more than 200 million baht, were seized on Tuesday

by officers from the Crime Suppression Bureau and Kanchanaburi police department.

A total of three people were arrested. All three are allegedly military officials in Kanchanaburi, with one of the suspects holding the rank of Lt Gen [lieutenant general], and claiming friendship with Deputy Interior Minister Sonchai. The other two suspects are allegedly sergeants.

Sonchai traveled to the province at night as soon as he heard of the incident. After a 20-minute talk with a senior police officer, Sonhai, who is also Nam Thai MP for Kanchanaburi, agreed to pay bail for the three wrongdoers, who then left the jail with him.

Sonchai pleaded that the news not be reported.

Prime Minister Banhan Sinlapa-acha has recently stressed to police officers the importance of tackling the problem of trade in amphetamines, which has been spreading among adolescents, particularly in schools and department stores.

Vietnam

Need For MFN Status From U.S. Discussed

*BK1209053595 Hanoi VIETNAM INVESTMENT
REVIEW in English 28 Aug-3 Sep 95 p 8*

[Article by Manh Hung: "The Long Path to MFN's Promised Land"]

[FBIS Transcribed Text] The decision by President Clinton to normalise diplomatic relations with Vietnam does not mean that everything is normal in the relationship between the two countries. Vietnam remains one of just nine countries in the world that do not enjoy most-favoured-nation (MFN) trading status with the US.

Vietnam's lack of MFN status means that the US assesses customs duties on Vietnamese imports at the high rates enacted by the protectionist Tariff Act of 1930, according to a July Congressional Research Service (CRS) report to the US Congress.

The specific tariff varies by item, but tends to be about five times higher than tariffs paid by MFN-status countries. A prime example is men's cotton T-shirts, which are subject to a 21 per cent duty for MFN beneficiary countries. The tariff for non-MFN countries is 90 per cent.

The denial of MFN status also plays a role in the denial of beneficiary developing country (BDC) status to Vietnam.

Under the US generalised system of preferences (GSP), a substantial array of products of countries designated

as BDCs can be imported into the United States free of duty, under certain conditions. BDC designation is denied to countries that do not have MFN status with the United States.

Non-MFN status is essentially a relic of the Cold War. The current list of countries that do not have MFN status with the US includes Afghanistan, Azerbaijan, Cuba, Laos, North Korea, Tajikistan, Uzbekistan, Vietnam and Yugoslavia.

Virginia Foote, director of the United States-Vietnam Trade Council in Washington, hopes that MFN status toward Vietnam can be completed in a year or two.

"MFN requires that a trade agreement be negotiated between our two governments and ratified by the US Congress," Foote said. "Congress is more likely to look at the overall relationship and political issues in ratifying a trade agreement."

"Restoration of permanent MFN status to Vietnam by Congressional legislation most likely would involve also the conclusion of a trade agreement between the two countries, providing specifically for the reciprocal extension of MFN status," the CRS report said.

In September, there will be a US delegation of experts to Vietnam to make way for a higher-level delegation to discuss trade issues in October, said a source from the US-Vietnam Trade Council.

The other impediment to Vietnam's gaining MFN status, under US law, is the question of compliance with the Jackson-Vanik amendment to the Trade Act of 1974. Jackson-Vanik prohibits the President from concluding commercial agreements with any country that denies its nationals the right or opportunity to emigrate.

But according to Dang Xuan Phong, director of the America Department under the Ministry of Foreign Affairs, "Vietnam's law on freedom of emigration is just the same as the ones in many countries that are enjoying the MFN trading status."

The US and Vietnam have had talks and reached agreements relating to the Orderly Departure Program (ODP) — a programme that facilitates the emigration of people from Vietnam with family or other contacts in the US, according to the CRS report.

Nguyen Tan Hai from the US-based Baker and McKenzie law firm said that Vietnam has a good chance to be awarded MFN trading status if the diplomatic relationship between the two countries develops well. "The trade balance also plays an important role in extending MFN status to Vietnam," Hai said.

According to government sources, US exports to Vietnam in 1994 rose to US\$172 million from US\$7 million

in 1993. First-quarter exports for 1995 totalled US\$58 million, up from US\$11 million in the first quarter of 1994.

The value of US imports from Vietnam in 1994, the year in which the US trade embargo was lifted, totalled US\$50 million. Figures for the first quarter of 1995 indicate that imports reached US\$74 million, up from US\$3 million in the first quarter of 1994. Animal and vegetable products and textiles were the principal imports.

As of May, the US was the eighth-largest investor in Vietnam, with US\$530 million invested in 34 projects. Areas of US investment include infrastructure development, petroleum exploration and tourism.

"US businessmen show considerable interest in the Vietnamese market and vice-versa," said Frances Zwenig, the deputy director of the US-Vietnam Trade Council. "That is a good sign for Vietnam to be given MFN trading status."

"The economy of Vietnam is still small," she added. "If it were larger it would have more weight and there would be more pressure for the US to grant Vietnam the favoured trading status."

Zwenig believes that Vietnam's attaining MFN is simply a matter of time.

Many US companies want MFN to happen as early as possible, said Phong. He added that the normalisation of diplomatic relations between Vietnam and the States creates more favourable conditions for the two sides to exchange information on trade and other fields.

Other types of US financial assistance that may follow the attainment of MFN status include the Overseas Private Investment Corporation (OPIC), the Trade and Development Agency (TDA) and agricultural aid, as well as contributions to international financial institutions and other multilateral aid agencies.

Cooperation Agreement Signed With Phnom Penh

*BK1109151795 Hanoi VNA in English
1454 GMT 11 Sep 95*

[FBIS Transcribed Text] Hanoi VNA Sept. 11 — A memorandum of understanding (MOU) on economic and cultural cooperation, personnel training, tourism and urban management has been signed here between Hanoi and Phnom Penh, capitals of Vietnam and Cambodia respectively.

The MOU was reached during a trip to Vietnam by a delegation from Phnom Penh led by Mayor Chhim Siekleng, who arrived here on Sept. 6 for a week-long

visit to strengthen the cooperation and friendship with Vietnam in general and with Hanoi in particular.

The Phnom Penh delegation was received here today by Deputy Prime Minister Nguyen Khanh who expressed hope that the cooperation between the two capital cities would be closer because Vietnam and Cambodia are two close neighbours having a number of similarities to share and learn from each other.

Expressing his admiration for the rapid economic and cultural development of Vietnam and its hardworking and hospitable people, Mr Chhim Siekleng said he hoped that in the near future Vietnam would become a fully-advanced country in Asia.

Earlier the delegation toured the port city of Haiphong, the Hoa Binh Hydro-Electric Power Plant, and a number of agricultural and industrial establishments in Hanoi.

National Assembly Begins Visit to Indonesia

BK1209011795 Hanoi VNA in English
1454 GMT 11 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 11 — A delegation of the Vietnamese National Assembly [N.A.] headed by its Chairman Nong Duc Manh arrived in Jakarta this afternoon, beginning an official visit from Sept. 11-17, the first leg of a tour of Indonesia and Singapore.

The Vietnamese National Assembly chairman and his entourage were greeted at the airport by, among others, H. Wahono and Sutejo, chairman and vice-chairman of the People's Consultative Assembly, respectively.

Following the Indonesia visit, the Vietnamese delegation will tour Singapore where they will attend the 16th Congress of the ASEAN Inter-Parliamentary Organisation (AIPO) from Sept. 18-23. At the congress, the Vietnamese National Assembly will be admitted to the AIPO as its seventh member.

The tours are aimed at further strengthening and promoting the friendly and cooperative relations between the Vietnamese National Assembly and people with the national assemblies and people of the two countries, thus increasing mutual understanding and promoting Vietnam's economic, commercial, cultural, scientific and technological relations with the other two Southeast Asian countries.

The delegation will take this opportunity to share experience with foreign parliament members on matters of mutual concern, and introduce Vietnam's domestic and foreign policies and its achievements in the on-going renovation process.

The N.A. chairman will hold talks with his Indonesian and Singaporean counterparts, meet with his Malaysian, Thai and Philippine counterparts, and pay courtesy visits to the presidents of Indonesia and Singapore.

Country Supports Total Ban on Nuclear Testing

BK0809160695 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 8 Sep 95

[FBIS Translated Text] Today [8 September] in answering a reporter's question on the current nuclear testings in the world, the Vietnamese Foreign Ministry's spokesman said that Vietnam's stand on this issue is to support the complete disarmament of nuclear arms and welcome the signing of an agreement on banning all nuclear testing by 1996 as pledged by signatory countries at the conference to review and renew the Nuclear Nonproliferation Treaty in New York recently. As a country in the Asia-Pacific region that does not have nuclear arms, Vietnam is worried, like all other countries, about nuclear tests in the region. Vietnam wishes all countries, especially those with nuclear weapons, to positively contribute to creating favorable conditions for reaching the aforementioned agreement on banning all nuclear testing to move toward having the world free from nuclear arms, thereby meeting the aspirations of the people of the world and the nations that have no nuclear weapons.

Regarding the current tense situation in Bosnia, the spokesman said that Vietnam shares the world community's concern over the escalation of fighting in that country and holds that using military measures to resolve conflict only causes loss of life and property while causing the situation to deteriorate. Such actions will not lead to an appropriate solution to the conflict. Undergoing many years of war, the Vietnam people sympathize with the people of the former Yugoslavia over their suffering. Vietnam welcomes efforts by all parties concerned in Bosnia-Herzegovina and the world community to resort to peaceful negotiations to achieve a lasting peace and a just solution for the region.

Do Muoi Marks VNA's Founding Anniversary

BK0809151395 Hanoi VNA in English
1503 GMT 8 Sep 95

[FBIS Transcribed Text] Hanoi VNA sept.8 — Party General Secretary Do Muoi recently visited Vietnam News Agency (VNA) on the occasion of its 50th founding anniversary (Sept.15).

The party leader toured VNA's news and newspaper editorial sections and technical centre.

He paid particular attention to the technical renovation programme of VNA in which advanced technologies of

the computer science have been applied to receive and broadcast news and photos, thus making its technical system keep up with the world's up-date broadcasting network.

Mr. Do Phuong, general director of VNA and member of the Communist Party of Vietnam's Central Committee, briefed the party general secretary of the steps of development of the news agency over the past 50 years and its orientation in the future. VNA has been and will be a truly state-run news agency capable of providing timely and reliable source of news, thus connecting the party, and the government with the people, and serving as a bridge between the Vietnamese people with other peoples in the world, Mr. Do Phuong said.

Addressing the VNA staff, General Secretary Do Muoi said that during the war, the late President Ho Chi Minh and the political bureau of the CPV CC considered Vietnam News Agency as a strategic and trustworthy information agency. During the peace time, VNA's position, function and responsibility is of the same important significance.

VNA journalists, he stressed, have on the one hand to effectively take part in the struggle distorted and hostile information against Vietnam, and on the other hand, supply exact and up to date information to people of all walks of life in society, from party and state leaders to researchers, economic, scientific and social activists, to people in urban, rural and mountainous areas.

Mr. Muoi also praised the efforts made by VNA in renovating and upgrading its technical facilities, thus keeping up with advanced technologies in the world.

Leaders Attend Meeting on TV Anniversary

*BK0809120795 Hanoi VNA in English
0708 GMT 8 Sep 95*

[FBIS Transcribed Text] Hanoi VNA Sept.8 — A grand meeting was held here yesterday to mark the 25th anniversary of Vietnam Television (VTV) and to receive the Ho Chi Minh Order awarded by the state.

Attending the meeting were Communist Party of Vietnam General Secretary, Do Muoi, Politburo Members Dao Duy Tung and Nguyen Duc Binh, President of the Vietnam Fatherland Front Central Committee Le Quang Dao, Deputy Prime Minister Nguyen Khanh, and senior officials of other Vietnamese relevant agencies.

State President Le Duc Anh, Party Advisor Vo Chi Cong, Prime Minister Vo Van Kiet, and National Assembly Chairman Nong Duc Manh sent bouquets to the ceremony.

In his commemorative speech, Ho Anh Dzong, general director of Vietnam Television, spoke of the process of construction and development of the VN television, and brought about achievements recorded by the service over the last 25 years.

Addressing the function, Mr. Dao Duy Tung welcomed VTV's substantial contribution to the nation, and highly valued the service's role and position in national construction and defence as well as the people's daily life. He also stressed that VTV must put more effort into meeting the increasing demands of audiences and utilise its advantages and overcome its weaknesses to improve the quality of its program to become a truly national TV channel.

Also on this occasion, the secretary of Hanoi's Municipal Party Committee Pham The Duyet, Chairman of the People's Council of the city Pham Loi and others officials visited the staff of the television service.

Speaking on this occasion, Secretary Duyet stressed that the television has had quite an effect on all the economic and social fields of the country and Hanoi as well, and has become a real friend of the Vietnamese peoples.

Hanoi To Clamp Down on Piracy of Foreign Books

*BK1209051095 Hanoi VIETNAM INVESTMENT
REVIEW in English 28 Aug-3 Sep 95 p 14*

[FBIS Transcribed Text] VIETNAM will clamp down on the pirating of foreign books to fall in line with international standards on the protection of intellectual property rights (IPR), an official said last week.

Vietnamese publishers will have to get permission from the Ministry of Information and Culture to publish foreign works and furnish an agreement with the overseas publisher before they can print the book, the official from the Department of Copyright, said.

The new regulations follow an outcry among foreign firms after local printers independently published here former US Defense Secretary Robert McNamara's book, "In Retrospect", that examined the mistakes made by the US during the war in Vietnam, the official said.

"The problem is not the money. It's a matter of principle," said Peter Osnos, publisher of Times Books, a division of Random House that owns the McNamara copyright.

Until now Vietnam has had only limited protection of foreign copyrights. It wants to join international accords such as the Berne Convention as it moves towards inclusion in the World Trade Organisation. Foreign publishers who want their works legally published in Vietnam will be able to register with the Department

of Copyrights, which will put them in touch with local publishers.

In December, the National Assembly released an ordinance on copyrights that gave Vietnamese writers and artists intellectual property rights for the first time.

But the law raised concerns among some foreign publishers by limiting the extension of such legal protection to only those overseas works that are released in Vietnam within 30 days of their original publication.

Publishers have said the condition is too stringent and will make it impossible to protect the rights of foreign publications.

Foreign lawyers in Hanoi said it was unclear how the new regulations would affect the 30-day rule but said it appeared to be a step towards better protection of copyrights.

Hanoi is expected to begin negotiations next month on a trade treaty with Washington, following the normalisation of relations in July. IPR issues are expected to be included in the talks and US officials have expressed concern about abuses in Vietnam.

Oil Production Ahead of 1994 Rate

*BK1209044295 Hanoi VIETNAM INVESTMENT
REVIEW in English 28 Aug-3 Sep 95 p 1*

[FBIS Transcribed Text] VIETNAM'S oil industry is more than 100,000 tonnes ahead of last year's pace according to the most recent figures.

About 4,160,000 tonnes of oil has been tapped by August 19, an increase of 108,000 tonnes over the same period last year.

Thirty-three million tonnes of crude oil have been pumped in Vietnam since the Bach Ho (White Tiger) oil field began operations in 1986. The nation's goal is to pump at least 30 million tonnes of oil yearly by 2010. Earlier this year, PetroVietnam announced plans to make more acreage available for oil exploration in order to meet this goal. This year's planned output is 7.5 million tonnes of crude oil.

More than 110 wells are in operation nationwide, including 110 new wells which were opened this year by the VietsovPetro joint venture, which produced almost 700,000 tonnes of crude oil last year.

The Bach Ho gas pipeline has been operating continuously now for more than three months. It was damaged by a ship's anchor in July of last year, an accident that cost US\$15 million to repair.

Eventually, the Dai Hung (Big Bear) field is expected to replace Bach Ho as the nation's biggest producer of oil.

PetroVietnam and a multinational group led by Broken Hill Proprietary (BHP) of Australia signed a production-sharing contract on the Dai Hung field last year.

Plans are also being made to bring Vietnam's natural gas industry into operation by 2000.

Think Tank Proposes Nuclear Power Plant

*BK1209045295 Hanoi VIETNAM INVESTMENT
REVIEW in English 28 Aug-3 Sep 95 p 5*

[FBIS Transcribed Text] A Vietnamese think tank last week recommended that Vietnam establish a nuclear power plant by the year 2015, to meet spiraling local energy demand estimated to exceed 100 billion kWh by 2010. The researchers' proposal is awaiting Government approval, according to Professor Cao Chi, head of the think tank.

"We have submitted to the Government Office a concrete schedule for the evolution of nuclear power for the entire country," said Professor Chi, referring to his research coded KC-09-17, conducted by the Nuclear Power Department (NPD). This is part of a wider survey on Vietnam's nuclear technology programme, initiated by the Vietnam Atomic Energy Commission (VINATOM).

Chi said that more than 130 energy experts from the Ministry of Energy, the Institute of Energy and the Ministry of Science, Technology and Environment (MOSTE) worked on this research, with assistance from several international organisations.

The schedule consists of three major stages. The first stage, from 1995-1996, is for implementation of basic research projects by scientists from different organisations. Secondly, from 1997 to 1998, the Government will consider the research data to decide to go nuclear. If the nation's leaders see the need for nuclear power, the third stage will entail implementation of a real project.

"(If approved), the construction of the first nuclear power plant will start from 2003 with completion due by 2012-2015," Chi stated.

While Chi insisted that the Government has yet to give a go-ahead to the plan, he was confident that the construction of a nuclear power plant may be a certainty.

NPD Director Le Van Hong, who is secretary for the research, said that by the 21st century, demand for power will increase around eight per cent per year and in order to catch up with the State's targeted economic growth rate, a nuclear power plant is the best solution.

He estimated that by 2015, nuclear fuel would be cheaper and competitive with other forms, including coal, oil and gas, whose reserves are limited.

According to the authors of the research, another reason for the construction of the proposed nuclear power plant is the requirement for diversification of energy sources. "We recommended an optimal mix, being hydroelectric, thermoelectric and atomic energy, so that we can preserve precious minerals," Chi said.

"Coal, gas and petroleum should be used for other important industries as well," he added and insisted that the nuclear plant will contribute to the development of nuclear science in the country. Chi and experts from the Energy Ministry agreed that the contribution of hydroelectricity should not exceed 70 billion kWh, as the nation will suffer the shortage of power in dry seasons.

Chi told Vietnam Investment Review that his team has recommended the plant be built in south-central Vietnam. "It should be somewhere close to the seashore so that cost for cooling may be reduced," he said.

The capacity of the nuclear power plant should be from 600 to 1,000 mW, Chi said. This type of plant is most suitable to meet future demand.

In general, the cost for a 1,000 mW plant falls somewhere between US\$2 and \$3.3 billion, a large ticket item for Vietnam's limited budget. "We will have to mobilise the capital from different sources, including overseas," Chi said.

The think tank received technical assistance from foreign organisations, including KEPCO and KAERI from South Korea and JAIF from Japan.

Australia

Keating Plays Down Warning on Uranium Exports

LD1109140695 Melbourne Radio Australia
in English 1200 GMT 11 Sep 95

[FBIS Transcribed Text] Australia's Prime Minister Paul Keating says the French Government has been rattled and President Jacques Chirac has been stung by the international responses to its nuclear testing. Stuart Heather reports Mr. Keating says a warning from Mr. Chirac about Australian uranium exports to France is part of the president's difficulty in comprehending the breadth of opposition to the testing.

[Heather] Mr. Keating says French pride has been hurt and President Chirac is feeling pressure because one of his first decisions as president was poorly taken. Mr. Keating says Jacques Chirac has made some ridiculous statements about Australia, but he played down a warning from Mr. Chirac about the future of Australia's 280 tonnes a year of uranium exports to France.

[Begin Keating recording] Australia supplies uranium to France under strict safeguards for use in their extensive power generation program. And I think that sort of rattling of the can is just another symptom of the reaction which I think the president has (?got at this decision) [as heard] [end recording].

Marshall Islands

Parliament Urges France To 'Reconsider' Tests

BK1209130595 Hong Kong AFP in English
1256 GMT 12 Sep 95

[FBIS Transcribed Text] Majuro, Sept 12 (AFP) — The Marshall Islands parliament on Tuesday passed a resolution calling on France to reconsider its nuclear testing at Mururoa Atoll in French Polynesia.

The Marshallese people have been victims of nuclear testing by the United States, which conducted 66 tests here between 1946 and 1958, and knew first-hand what its consequences were, it said.

"In light of the suffering endured by the people of the Republic of the Marshall Islands and with the knowledge of the effects of nuclear explosions can have on the delicate balance of nature," the parliament said.

"The government of the Marshall Islands respectfully urges the government of France to seriously reconsider its decision to resume its nuclear testing program in the South Pacific."

New Zealand

Prime Minister Rebuts French on Test Issue

BK1209090095 Hong Kong AFP in English
0825 GMT 12 Sep 95

[FBIS Transcribed Text] Wellington, Sept 12 (AFP) — New Zealand Prime Minister Jim Bolger said Tuesday that France should not be allowed to divert attention from anti-nuclear protests by raising the issue of French Polynesian independence.

"There's a clear distinction between the two. We shouldn't allow France to try to drag in some red herrings that this is a New Zealand/Australian plot to somehow do something about the constitution of French Polynesia," he told reporters.

"I think that allows France to cloud the issue. What we want is a very clear message going out that the New Zealand Parliament is opposed to French nuclear testing."

Bolger was speaking after a meeting with New Zealand's ambassador to Paris, Chris Beeby, who has been recalled for consultations in protest against the resumption of nuclear testing at Mururoa Atoll.

On Sunday, French President Jacques Chirac accused New Zealand and Australia of wanting France out of the Pacific.

He said both governments had "stoked up" anti-nuclear protests.

Bolger on Monday denied his government had ever discussed the issue.

Tuesday he said: "That is a different issue. It is a real issue for the people of French Polynesia but we must not allow France to divert us from our total opposition to nuclear testing."

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